APPRAISAL OF

Willowick Golf Course
3017 W. 5th Street
Santa Ana, California

Date of Value:

February 24, 2021

Date of Report:

April 13, 2021

Our File No.:

221-3

Submitted To:

Omar Sandoval
Woodruff, Spradlin & Smart
555 Anton Boulevard, Suite 1200
Costa Mesa, CA 92626

Submitted By:

George Hamilton Jones, Inc.

GEORGE HAMILTON JONES Inc.
Real Estate Appraisers & Consultants

Stuart D. DuVall, MAI
Casey O. Jones, MAI

April 13, 2021

Omar Sandoval, Esq.
Woodruff, Spradlin & Smart
555 Anton Boulevard, Suite 1200
Costa Mesa, CA 92626

Re: Appraisal of the Willowick Golf Course Property

Dear Mr. Sandoval:

In accordance with your request and authorization, I have formed an opinion of the market value of the fee interest in the 101.5-acre Willowick Golf Course, located in the City of Santa Ana, California. As the following Appraisal Report will present, my judgment of the highest and best use of the subject property is for development to a master-planned community.

This appraisal is based upon the *extraordinary assumption* that the utility and value of the appraised property is subject to the Surplus Land Act and Government Code Government Code 54233, which states that if 10 or more residential units are developed, then 15 percent of the total number of units must be dedicated to affordable housing.

The date of value of this appraisal is February 24, 2021.

As a result of my inspection of the subject property, investigation of various comparable data, market studies and valuation analyses I concluded that, as of February 24, 2021, the market value of the appraised property was $90,000,000.

Market Value Conclusion:

$90,000,000

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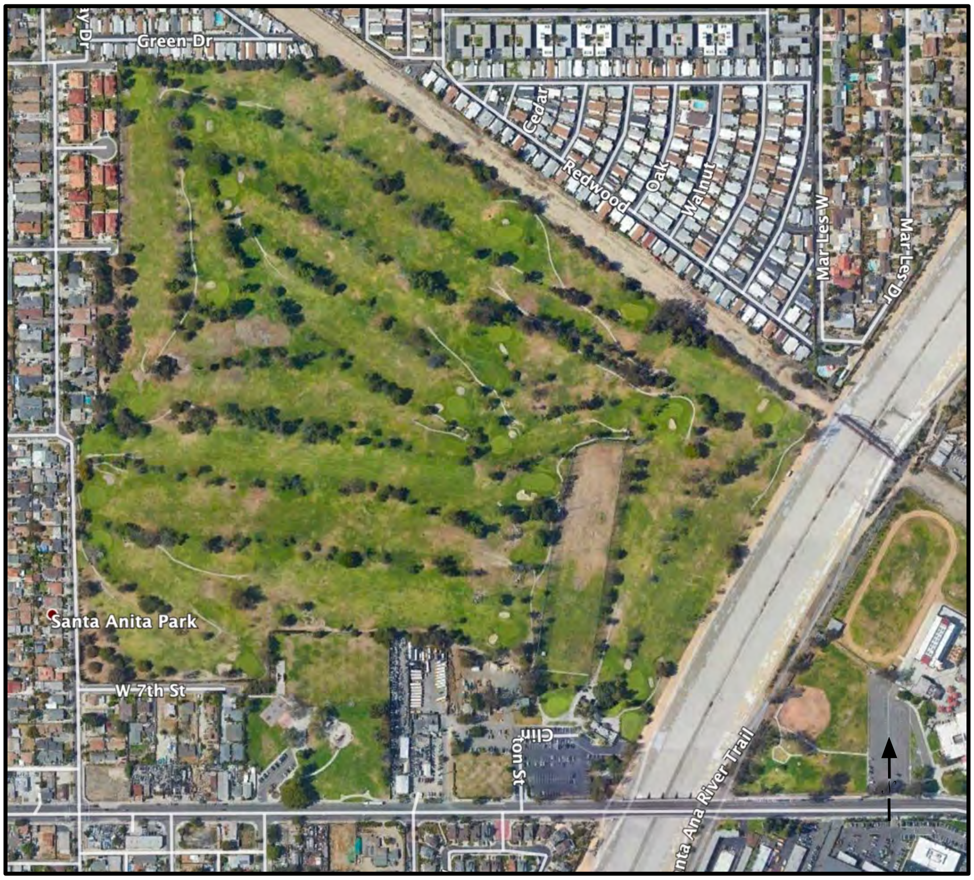
Your attention is invited to the following Appraisal Report, made in conformance with USPAP Standards Rule 2-2 (a), which sets forth, in brief, premises and limiting conditions, descriptions, exhibits, factual data, discussions, computations, and analyses which form, in part, the basis of my value conclusions. Supporting documentation and analyses are retained in my files.

Respectfully submitted,

Casey Jones, MAI
(State Certified General Real Estate
Appraiser No. AG041862)

Willowick Golf Course
Santa Ana, California



Google Aerial Photo

View northwest of subject from Santa Ana River Trail
(Subject photos taken 2/24/21)

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SUMMARY OF FACTS AND CONCLUSIONS

Property Type:	Existing use is an 18-hole public golf course.
Property Location:	3017 W. 5th Street, Santa Ana.
Property Interest Appraised:	Fee interest subject to Surplus Land Act Government Code 54233
Date of Value:	February 24, 2021
Date of Report:	April 13, 2021
Subject Property:	
Area:	101.5 acres, or 4,421,340 square feet
Existing Zoning:	Open Space
Assessor Parcel Numbers:	198-282-(01-03); 198-291-(03-06), 08; 198-233-11
Highest and Best Use:	Highest and best use is for development to a master-planned community incorporating market-priced residential units, affordable housing units (per Government Code 54233), commercial/retail development, as well as open space with parks and community amenities.
Market Value Conclusion:	$90,000,000
	This is equivalent to $20.36 per square foot of land.

INTRODUCTION TO THE APPRAISAL PROBLEM

Purpose of the Appraisal:

The purpose of the appraisal is to estimate the market value of the subject property, a 101.5 acre active commercial golf course, located at 3017 W. 5th Street, Santa Ana, California.

Client:

Omar Sandoval, Esq. of Woodruff, Spradlin & Smart.

Intended Use:

The intended use of the report is to assist the client in asset management deliberations.

Intended User:

Omar Sandoval, Esq. of Woodruff, Spradlin & Smart.

Identification of the Real Estate Involved in the Appraisal:

Address:	3017 W. 5th Street, Santa Ana, California.
Assessor Parcel Nos.:	198-282-(01-03); 198-291-(03-06), 08; 198-233-11
Size:	101.5 acres
Apparent Owner:	City of Garden Grove
History of Ownership:	The City of Garden Grove has been the fee owner for in excess of five years.

Property Rights Appraised:

Fee simple interest, subject to Government Code 54233.

Date of Value:

The date of value, or effective date, for this appraisal is February 24, 2021, which was the date of inspection.

Scope of the Appraisal:

The scope of the work required to formulate a reliable opinion of value for the appraised property is outlined below.

Assignment Analysis:

Define the basic elements of the appraisal problem, and the purpose and intended use of the report. Identify the property and research property history including current use, prior use, prior sales and leasing information, and current market activity.

Site Description and Analysis:

Document the physical characteristics of the site and its surroundings. Review and interpret applicable zoning, general plan, environmental restrictions, and developmental agreements that may apply to the subject property.

Improvement Description and Analysis:

Describe the improvements on the site. This includes size, construction, finish, age, and condition. Analyze the utility of the improvements.

Market Analysis:

Identify and discuss pertinent economic, governmental, social and environmental forces that may influence real property values. This includes, among other things, a property productivity analysis in which the physical, legal and location attributes of the subject are studied; a market delineation analysis, in which the subject market area was defined; a demand analysis, in which the characteristics of the probable investors/users were defined and the influences on those investors/users were studied; a supply analysis, in which the existing and potential stock of competitive properties was examined and the factors influencing the delivery of potentially competitive properties were analyzed; an examination of the competitive environment was made in order to analyze the interaction of supply and demand; a forecast was made of subject's potential to attract and capture buyers.

Highest and Best Use:

Analyze highest and best use of the subject site as though vacant and as improved. Potential uses were tested to determine which use or uses were physically possible, legally permitted, financially feasible, and maximally productive.

Market Data:

Search and acquire data on the sales of larger parcels of land suitable for master-planned subdivision development that have transferred in recent years. Verify sale prices and terms, inspect and analyze the data.

Review data of smaller "builder parcels" of land that could be developed within the subject property. Search and acquire data on smaller retail sites that could be incorporated in the larger master-planned development. Verify sale prices and terms.

Search and acquire data of the retail sale prices of market-price townhomes of various plan sizes that could reasonably be used for the subject's affordable housing requirement.

In the market data search, in addition to public records and interviews with market participants, we utilized real estate information services such as RealQuest and CoStar. California Regional Multiple Listing Services was used for retail townhome sales and market analysis studies. We also obtained recorded documents such as grant deeds from title companies.

Valuation:

Analyze market data of large acreage sales similar to the subject and process the data through a sales comparison approach to develop an indication of the fee value of property unencumbered by the Government Code 54233 requirements.

Utilize elements of the manufactured lot/ retail product ratio to judge the impact of affordable housing requirements on land value.

Reconciliation:

Reconcile the value indications to a final market value conclusion based on the relative reliability of the data and the approaches to value.

Definitions:

Market Value[1]:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their best interests;
3. a reasonable time is allowed for exposure in the open market;

[1] *The Dictionary of Real Estate Appraisal,* 6th Edition, 2015, pg. 141.

4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

5. the price represents the normal consideration for the property sold unaffected by special financing or creative financing or sales concessions granted by anyone associated with the sale.

Reasonable Exposure Time:[2]

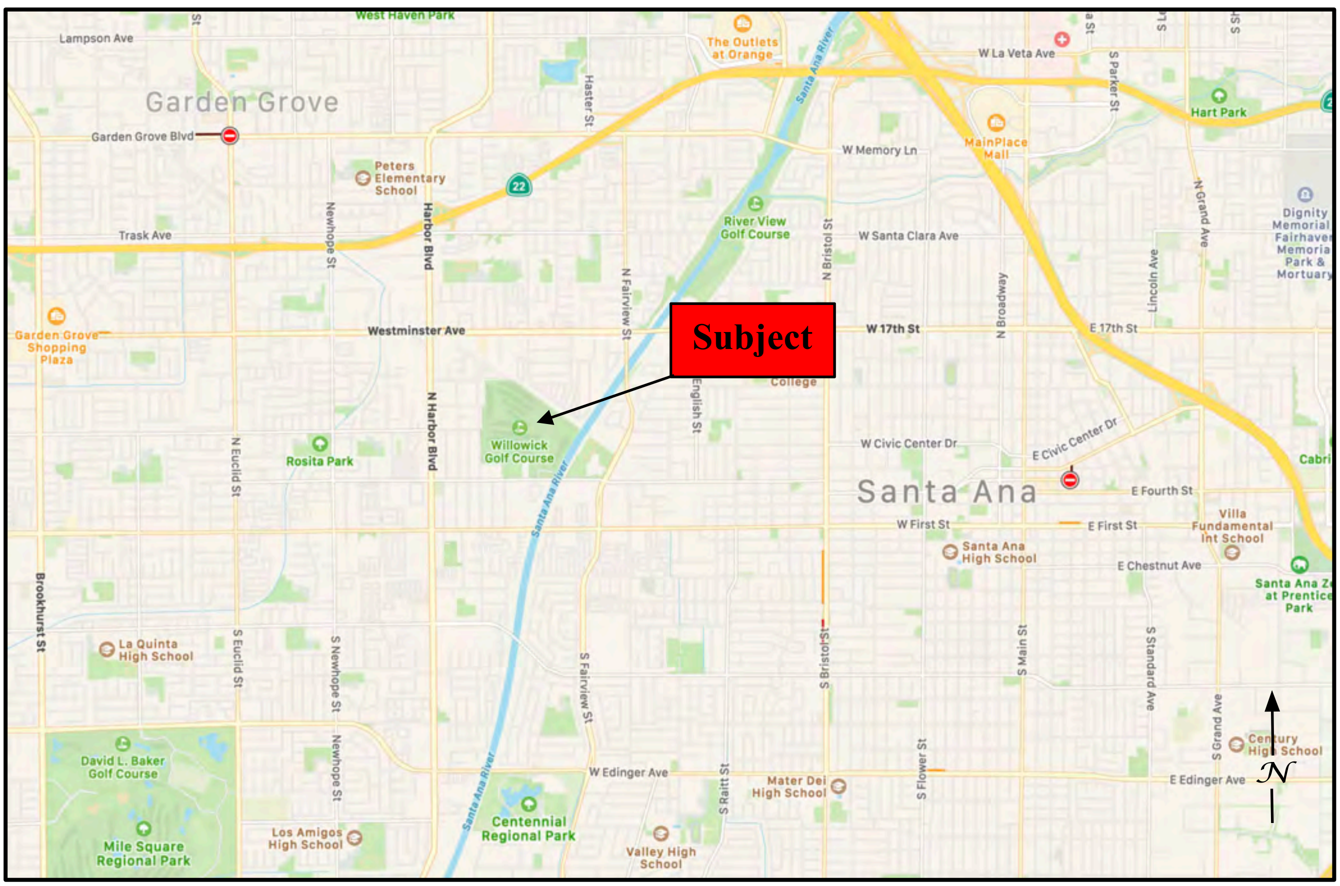
The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.

Based on my analysis of comparable sales and investigations in the market area, it is my judgment that an exposure period of six months for entering into a Purchase and Sale Agreement is appropriate. As will be discussed further in the report in the analysis of the comparable data, it is likely that an entitlement and due diligence period of no less than five years would be anticipated prior to close of escrow.

[2] *Uniform Standards of Professional Appraisal Practice*, 2018-2019 Edition.

Regional Map

Location Map



PROPERTY DESCRIPTION

Location:

The subject property is located on the north side of West 5th Street and is immediately adjacent to the west of the Santa Ana River in the City of Santa Ana, California. The northeast boundary borders the Orange County Streetcar project rail line. The west side of the subject property is bounded by an older residential district.

The approximate distance (as the crow flies) and direction from the appraised site to significant landmarks, influences, developments, and locations, are as follows.

Harbor Boulevard	0.5 mile westerly
22 Freeway	1.4 miles northwesterly
5/57/22 Freeway Interchange	2.8 miles northeasterly
Disneyland	3.8 miles northerly
405 Freeway	4.0 miles southerly
John Wayne Airport	5.5 miles southeasterly
Pacific Ocean	8.4 miles southwesterly

Parcel Size and Shape:

While the subject site is irregular in shape, it has a generally trapezoidal configuration. The frontage on West 5th Street extends from the easterly boundary of Clinton Street 528.50 feet to the west bank of the Santa Ana River.

The frontage along the Santa Ana River is approximately 1,530 feet. The northeasterly boundary runs 2,150± feet along the Pacific Electric Right of Way, where the OC Streetcar line is currently being constructed. The Willowick Royal Mobile Home Park lies along the north line of the streetcar right of way in the City of Garden Grove.

The northerly boundary of the subject, which is adjacent to the Holiday Estates mobile home park, extends 715± feet from the Santa Ana River to the easterly terminus of W. Washington Avenue. The westerly boundary is irregular, but it runs approximately 2,175 feet from W. Washington Avenue to W. 7th Street.

The City of Garden Grove website indicates that the total area of the subject is 101.5 acres.[3] This differs slightly from appraiser measurements using assessor parcel maps which indicated a total size of approximately 101.82 acres. The total area of 101.5 acres determined by the City Garden Grove will be used in this appraisal.

Topography:

The subject site is generally level.

Soil Conditions:

No soil report was available for my review. It is therefore a premise of this report that soils and geologic conditions are adequate to support standard construction consistent with highest and best use.

Flood Hazard:

Being adjacent to the Santa Ana River, the subject lies in an “area of

[3] https://ggcity.org/surplus-land-act-willowick-golf-course

reduced flood risk due to Levee" and is designated as being in Zone X[4].

Seismic Hazard:

The subject property is not located in an Alquist Priolo Special Studies zone for seismic hazard.

Access:

The subject property currently has its primary access from West 5th Street where there is a two-way entry and exit leading to the main on-site parking lot. Less direct access can be also obtained to the subject from Clinton Street, which lies approximately 230 feet to the west of the main entry on West 5th Street.

West 5th Street is a major east-west arterial with two travel lanes in each direction. It has a painted center turning median. There are concrete curbs, gutters and sidewalks on both sides. On-street parking is permitted intermittently.

Clinton Street is half-paved asphalt right of way with a concrete valley drainage gutter running down the middle. It is primarily used for access to the industrial/auto dismantling businesses adjacent and to the west of the subject. At its northerly end, this road turns easterly towards the subject.

Other points of potential access along the westerly boundary of the subject are West 7th Street, the intersection of Jackson Street and Hazard Avenue, West 11th Street, and West Washington Avenue. None of these local streets are currently open to the subject.

The northeasterly boundary of the subject is currently being improved with the OC Streetcar line. According to representatives of the City of Santa Ana[5], the streetcar line should not inhibit crossing vehicle traffic. This circumstance opens the possibility, at some future date, of acquiring access to the extension of Clinton Street to the north of the subject in the City of

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[4] FEMA Map 06059C0144J, effective 12/3/09.

[5] Steven Mendoza, Director of Community Development; Minh Thai, Executive Director of Planning and Building Agency, 2/11/21.

Garden Grove. This, in turn, would facilitate access from the subject to Westminster Avenue, a major east-west arterial highway.

It is reasonable to consider that any future development of the 101.5-acre subject property to its highest and best use will require significant enhancement of its current means of access.

Harbor Boulevard is located one-half mile to the west of the subject. Harbor Boulevard is a major north-south arterial running through the heart of Orange County. It provides access to the 22 Freeway just over a mile to the north of West 5th Street and to the 405 Freeway approximately four miles to the south.

Utilities:

All utilities are currently available at the subject site.

Tax and Assessment Information[6]:

APN #	LAND VALUE	IMPROVEMENT	TOTAL
198-282-01	$18,522	$0	$18,522
198-282-02	$78,506	$0	$78,506
198-282-03	$61,776	$0	$61,776
198-291-03	$9,569	$0	$9,569
198-291-04	$74,467	$740,426	$814,893
198-291-05	$121,790	$9,157	$130,947
198-291-06	$7,776	$3,699	$11,475
198-291-08	$1,914,456	$91,006	$2,005,462
198-233-11	$44,873	$0	$44,873

Land Use Controls:

Current Zoning: O – Open Space

The subject is located in the West Santa Ana Boulevard focus area as set out is the Land Use Element of the City of Santa Ana's General Plan[7].

[6] In most instances, under California law (Prop. 13), total assessed value is adjusted to market value when the property transfers in an open market, arm's length transfer.

[7] Public Hearing Draft, October 29, 2020.

Figure LU-15 designates the subject to be Open Space.

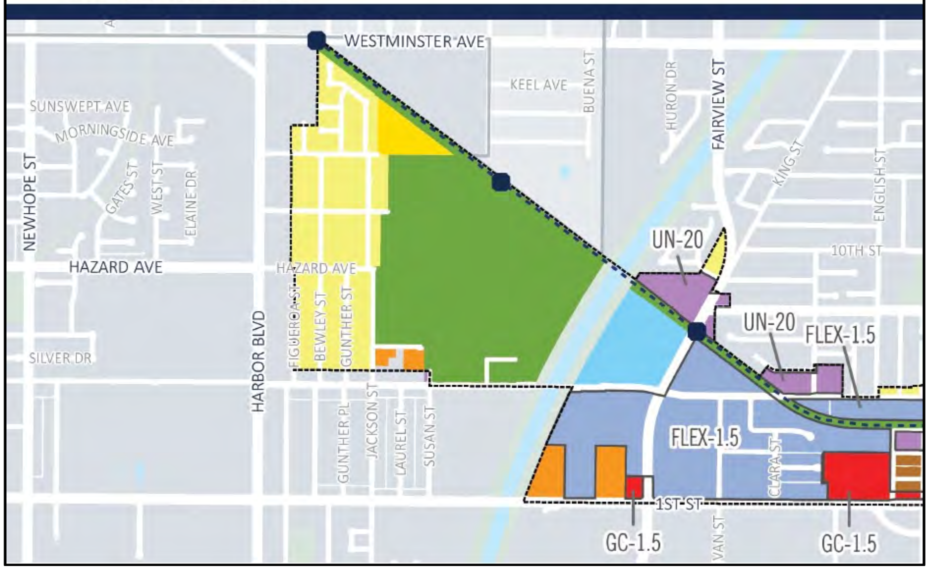

FIGURE LU-15 LAND USE MAP
WEST SANTA ANA BOULEVARD

The adoption of Resolution No. 9610-20 on February 25, 2020, by the City of Garden Grove, the owner of the subject property, declared the appraised property to be surplus land pursuant to Government Code Section 54221, as amended by Assembly Bill 1486 and subject to the Surplus Land Act. Resolution No. 9610-20 indicates that “pursuant to Government Code 54223, in the event no agreement is reached between the City and any interested entity/agency after a good faith negotiation period of 90 days, the property may be disposed of without further regard to the Surplus Land Act (except that Section 54233 shall apply).”

Government Code 54233 states that if “…10 or more residential units are developed on the property, not less than 15 percent of the total number of residential units developed on the parcels shall be sold or rented at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or affordable rent, as defined in Section 50053 of the Health and Safety Code, to lower income households, as defined in Section 50079.5 of the Health and Safety Code.”

This appraisal is based upon the extraordinary assumption that the utility and value of the appraised property is subject to the Surplus Land Act and Government Code 54233. Therefore, the appraised property is valued as being available to the open market generally for any and all uses that would reasonably be permitted by the relevant jurisdictional authorities and land use controls; however, if 10 or more residential units are developed, then 15 percent of the total number of units must be dedicated to affordable housing.

The subject's current Open Space zoning designation is tantamount to being effectively unentitled in terms of any higher economic use of the site. Therefore, it is reasonable to consider that well-informed buyers and sellers of land similar to the subject would anticipate the need to obtain appropriate entitlements prior to development of the site.

Typical land use entitlement requirements for properties similar to the subject, both in terms of size and of zoning, include approval of a Specific Plan, a General Plan Amendment, re-zoning, a Vesting Tentative Map, a Development Agreement and many other submissions, reviews and approvals.

Based on analysis of market evidence of entitlement experiences at comparable properties and discussions with private and public participants with wide experience in the entitlement process, such an undertaking would likely be an extended, costly and potential politically fraught for the subject property.

Further, there is no certain empirical basis for judging what the ultimate outcome of the process would be. There are many community-interest groups with competing agendas that would, based on experience at similar properties, try to use both political and legal resources to influence the character of the ultimate land use plan for the subject 101.5-acre site.

The entitlement process and pertinent market evidence supporting likely land use development scenarios will be discussed more fully in the market analysis and highest and best use sections of this report.

Condition of Title:

I reviewed the Fidelity National Title Company amended Preliminary Title Report, dated November 27, 2019 (order No. 997-30016318-C-1MB). There are 50 Exceptions listed. The majority of these deal with typical roadway and utility easements which would likely not be significant impediments to development of the site to its highest and best use.

However, there are seven easements related to the existing radio towers and adjacent subsurface areas for radio antennae and connecting cables and lines. The most recent, Exception 40[8], provides what appears to be a consolidating and updated easement to Voice of Orange Empire, Inc. Ltd. for four (4) towers of approximately 900 square feet each with adjacent subsurface areas "for installation of radio antennae and connecting cable and lines with the right of ingress and egress to said towers for inspection, repair, replacement and upgrading of towers, antennae and equipment."

In the easement the grantee agrees that the easements "shall terminate automatically as of such time as the grantee no longer physically needs or uses its radio operation… (and shall) quitclaim to grantors said easements and rights."

It appears that the area taken by these interconnected towers, "with connecting cables and lines," is approximately 2.5 acres. This area is adjacent to the west of the existing driving range and extends to the southerly boundary of the subject to permit ingress and egress. So long as the Voice of Orange Empire, Inc. Ltd. operates the radio station, this area will be relegated to effectively open space use. This need not necessarily impact the utility of the total subject site because considerable open space, roadway and other non-buildable uses will be required in any highest and best use of the subject. This area should be able to be appropriately integrated into the overall master plan design.

With the exception of the above, it is a premise of this report that there are no unusual title exceptions or conditions of title which would adversely affect the value or marketability of the subject to the market generally.

Current Use:

The subject property is currently improved with an 18-hole public golf course that includes a driving range, three practice putting greens, a pro shop, and a 5,000 square foot full-service bar and restaurant.

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[8] Book 14230, Page 447 Official Records

While owned by the City of Garden Grove, the golf course is currently operated by Billy Caspar Golf, LLC under a management agreement which commenced May 15, 2019 and expires five years later on June 30, 2024. There is an option to renew for two successive three-year terms upon the mutual agreement of both parties.

The fiscal year runs from July 1st to June 30th. Because Billy Caspar Golf took over on May 15, 2019, there is limited meaningful financial information to be taken from the six weeks up to the end of the financial year on June 30, 2019. However, the information thereafter indicates that leading up to the onset of the COVID-19 pandemic monthly gross revenue in the summer was on the order $120,000 while it was between $90,000 and $100,000 in the fall and winter. Expenses were slightly greater and even before the impacts of COVID the operation was running in the red.

The onset of COVID restrictions beginning in February/March slowed business down considerably. However, being an outdoor activity suited to the pandemic's social distancing conditions, golfing picked up in May of 2020 and a monthly net profit was realized. While the fiscal year ending June 2020 closed with a $186,441 loss, from that point onwards, with the exception of October, monthly net profits have been reported through January 2021. The year-to-date net profit for the first seven months of the fiscal year was $272,428 on total gross revenues of $1,123,791.

Even at a very low capitalization rate, this projected annual net income reflects a land value significantly below $5.00 per square foot for the 101.5-acre subject property. Given prevailing market conditions and the demand for land in central Orange County, it appears reasonable that well-informed investors would consider the current golf course use to be an interim use only, and it does not represent the highest and best use of the subject property.

Subject Photos


Radio antennae easement area


View northeast of parking lot from W. 5th Street entrance


View north of driving range


View west of main course along southerly boundary near industrial area on W. 5th Street

Subject Photos

View north from southeast corner of subject along Santa Ana River frontage

View northeast of subject from W. 7th Street

View east of subject at terminus of Hazard Avenue

View along northerly boundary of subject at terminus of Washington Avenue

MARKET ANALYSIS & HIGHEST AND BEST USE

Property Productivity Analysis:

The subject property is a 101.5-acre site of generally level land in north-central Orange County. Currently used as a public golf course, the property has limited structural improvements on it and is effectively vacant land.

It is an extraordinary assumption of this report that the appraised property is subject to the Surplus Land Act and Government Code 54233 which requires that if the subject property is developed with more than 10 residential units then 15% of all residential units shall be developed and sold or rented at affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or affordable rent, as defined in Section 50053 of the Health and Safety Code, to lower income households, as defined in Section 50079.5 of the Health and Safety Code. This "non-market" development requirement would be closely analyzed by well-informed investors in the subject property.

The appraised property is currently zoned Open Space in the City of Santa Ana and is similarly designated in the General Plan within the West Santa Ana Boulevard focus area. Accordingly, the subject site was considered to be effectively unentitled for any higher use at the date of value.

To develop the property to a more productive economic use would require a comprehensive master plan for the 101.5 acre site. This would include commissioning an Environmental Impact Report, approval of a Specific Plan, General Plan Amendment, a Vesting Tract Map, a Development Agreement and many other necessary entitlement submissions, reviews and approvals.

Any well-informed investor in the subject property would recognize that a lengthy, potentially costly and uncertain entitlement process would be required prior to any development of the property to higher uses than open space use.

The challenges inherent in the entitlement process are supported by the empirical evidence of the entitlement timing that was required for the market data items presented in the valuation section of this report. These properties required a minimum of four years and, in one instance, more than 20 years to obtain the approvals necessary to satisfy the buyer sufficiently to close escrow and commence the development process.

The subject property is located in north-central Orange County. It is in close proximity to major north-south and east-west arterials, and it is situated within 4± miles or less of five freeways. It is bounded on the east by the Santa Ana River. With the exception of some older industrial businesses on West 5th Street, the subject is generally surrounded by older residential improvements. The current construction of the OC Streetcar line along the northeasterly boundary of the subject will provide good local public transportation from the appraised property.

Market Area Delineation:

The subject property is unique as a large unimproved site in the intensely developed Orange County/ Los Angeles market area. The demand for housing and associated commercial and recreational activities is strong in the region.

Typical investors in properties such as the subject would be anticipated to be experienced master planned community developers with the resources necessary to shepherd the property through a complex entitlement process and then execute development in accordance with the site's highest and best use.

Because of geographic and demographic factors, the general market area within which the subject property would directly compete is considered to be east of the 710 Freeway, running through the southeasterly portion of the Los Angeles basin then southerly through Orange County on the southwest side of the Santa Ana mountains, generally bordering Riverside County, to San Diego County.

Demand:

Despite the setbacks of the COVID-19 pandemic, demand for residential housing in Southern California has remained strong. Taking the long view, in the subject's immediate local market area the median home prices in Santa Ana have increased at approximately 7.0% annually over the five years ending in January 2021. The median home price has increased at a similar rate in Garden Grove over the same period.[9]

The consistently strong demand for residential property in Orange County, which exerts an upward pressure on prices, is driven by relatively low unemployment rates resulting from a diverse labor force and dynamic job market. In 2019 unemployment was 2.8% in Orange County in comparison with 4.1% across the Southern California region.[10] With the impact of COVID-19 unemployment increased to 9.5% in 2020, but it was still below the regional average of 11.3%. The forecast for 2021 projected Orange County unemployment at 6.2% while the region was estimated to recover to a 7.9% jobless rate.

The resiliency of the Orange County labor market is due, in part, to the fact that it is relatively highly educated, with more than 40% of residents having at least a bachelor's degree. This generally skilled and motivated workforce, which includes many dual income households, provides a typically reliable foundation for demand in the more affordable range of the homeownership market.

The V-shaped recovery that occurred around June/July of 2020 after a sharp drop at the onset of the pandemic has continued well into March 2021. Demand as measured by The Orange County Housing Report Survey of March 8, 2021, was at the highest level for March since 2012. The average asking list price in Santa Ana was $617,000 and, in Garden Grove, it was $910,000.

The expected market time, which is defined as the number of days to sell all Orange County listings at the current buying rate, decreased from 26 days to 24 days in comparison with the previous month. For homes priced below $750,000, the expected market time was only 17 days. This market segment represented 30% of the active inventory and 41% of the demand. For residential product priced between $750,000 and $1 million, the expected market time was 16 days, with 17% of the inventory and 25% of the demand.

[9] Zillow Research Data by zipcode
[10] Southern California Association of Governments (SCAG), Regional Briefing Book, December 2020.

Accordingly, 66% of the demand in Orange County was oriented to housing that would reasonably be anticipated to be developed at the subject property.

Inventory and Competitive Supply:

The strong demand, fueled by historically low 30-year fixed interest mortgage rates, coupled with the lack of supply of available in-fill land for new home construction, has created a sharp reduction in available housing inventory in the subject market area. At the beginning of March 2021, there were a total of 2,366 homes on the market in Orange County, which was the lowest level since tracking began in 2004.[11] This compares to the previous year when there were 4,161 homes on the market, a reduction of 43%.

Supply and Demand:

There is a limited supply of large vacant land sites with physical and locational features comparable to the subject available in the market area. The existing housing demand, coupled with long-term economic projections of increasing growth, indicates that a considerable need for new homes at reasonable prices in the subject market area will continue well into the future.

Subject Capture:

As a large, effectively vacant and level land site that is well-located in the heart of Orange County, with good arterial and freeway access to other parts of the region, the subject property should attract significant interest from both master plan community developers and eventual retail home buyers and/or renters, as well as potential commercial users.

Highest and Best Use:

Highest and best use is that use or combination of uses, selected from reasonably probable and legal alternatives, that results in the highest land value as of the date of value. The definition of highest and best use is as follows:

[11] The Orange County Housing Report, March 8, 2021.

The reasonably probable and legal use of vacant land or an improved property, which is physically possible, legally permissible, appropriately supported, financially feasible, and that results in the highest value[12].

The highest and best use of the land as vacant, and of the property as improved, must meet the following four criteria:

Physically Possible:

> The size, shape, area, terrain, soil conditions and accessibility of the subject lot must be suitable for the use. Any risks of natural disasters such as floods and earthquakes must be considered. Highest and best use as improved requires analysis of size, design, and condition of the improvements to determine whether a proposed use such as renovation or remodeling is possible.

Legally Permissible:

> The proposed use must be consistent with any private restrictions such as deed restrictions, leases or easements. It must also be permitted by governmental controls such as zoning, environmental requirements, building codes, subdivision laws, and any other applicable land use laws and regulations.

Financially Feasible:

> All uses that are physically possible and legally permitted, and are expected to produce a positive return, are regarded as financially feasible. A positive return requires that expected income equals or exceeds the amount needed to satisfy operating expenses, financial obligations, and capital amortization.

Maximally Productive:

> Of the financially feasible uses, the use that produces the highest residual land value consistent with the rate of return warranted by the market for that use is the highest and best use.

[12] *The Appraisal of Real Estate*, 14th Edition, Appraisal Institute.

Highest and Best Use As Though Vacant:

In the prevailing market conditions at the date of value, it is my judgment, after investigation of a variety of factors, that the most reasonable use of the subject land would be for a master planned community with a mix of residential product types supported by commercial and/or recreational/open space uses.

While there is strong demand for large industrial in-fill properties in general Orange County market, issues pertaining to access and surrounding influences would render such a development at the subject unlikely to obtain the necessary jurisdictional approval through a zone change or wide community acceptance.

The ultimate configuration and allocation of land uses for a master-planned development of the 101.5-acre subject property will ultimately depend upon a variety of factors that are difficult to project with certainty. Market evidence indicates that a complex interplay of political, social, environmental, legal and economic forces ultimately shapes the character of a master planned community development. This knowledge would lead an experienced, well-informed investor to anticipate that protracted negotiations and give-and-take on a variety of issues is an inevitable part of the process necessary to obtain approvals for entitlement of a property like the subject.

The data items that are presented in the Valuation Section of this report have all undergone the complexities of this entitlement process and have been instructive in formulating a reasonable, market-supported framework for the highest and best use of the subject property.

Market evidence indicates that on a per acre/per square foot basis, residential use provides the greatest return to the developer. In seeking maximum productivity for the land, the developer will typically attempt to create a master plan with the highest possible number of market-priced residential units that are designed in a manner consistent with perceptions of demand for the ultimate retail buyers in the market area. The density, size and configuration of the residences that are built can vary due to a number of factors specific to a particular market.

In the case of the subject, decisions regarding the number, configuration, product type and density of market priced residential units will also be influenced, in part, by the affordable housing requirements of Government Code 54233 as discussed above.

Another factor that must be taken into account is the Quimby Act, which is within the Subdivision Map Act. This State bill authorizes the legislative body of a city or county to require the dedication of land or impose fees for park or recreational purposes as a condition to the approval of a tentative or parcel subdivision map. This legal requirement, along with general market demand for open space and recreational amenities as part of a master-planned community development, can lead to a not insignificant allocation of land to some variety of open space, park, and/or recreational use.

Further, as discussed in the Property Description section of this report, the subject property is encumbered with easements for the Voice of Orange Empire, Inc. Ltd. radio station. It is an assumption of this analysis that a well-informed investor would incorporate this easement encumbered land into the allocation for open space area.

Also, depending on the property and its surrounding influences, many cities have shown an interest in seeking a substantial allocation of a prospective master-planned site to commercial use. This not only supports the needs of the incoming residential population and the surrounding community, but it also creates desired tax revenue to the benefit of the city and/or county.

A considerable allocation of land within a master-planned community is also dedicated to streets, infrastructure and other community requirements and amenities.

Again, it is acknowledged to be speculative to judge what a well-informed developer, operating in an uncertain social, environmental and political environment would ultimately obtain in terms of entitlements for land use allocation. However, because in practical terms purchasing decisions in the competitive marketplace for large, unentitled land sites similar to the subject are often driven to a significant degree by estimates of the number of market-priced residential units that can ultimately be entitled, it was important to develop a reasonable quantification of this number for the subject. The amount of net land area that would be allocated for the residential use should also be properly supported by market evidence.

Based on the requirements of Government Code 54233 an additional allocation (a minimum of 15% of the total units) must be made for affordable housing. The land area required for this use was based upon market evidence of the density found at other projects for affordable housing and other higher density uses.

As a result of this analysis, I concluded that residential development at the subject of approximately 750 market-priced units and 133 affordable housing units was supported by market evidence. This results in an overall density of 7.39 market-priced dwelling units per acre for the total subject site. When the affordable units are added to this, a density of 8.70 du/ acre for the total 101.5-acre site is indicated. Both these densities are consistent with the market evidence.

Allocation of the land area of the total subject site for the various proposed uses was also predicated upon analysis of comparable properties in the market area. As a result of these studies, I concluded that approximately 55% of the total subject site (55.8 acres) would be used for market-priced residential product. The data from similar projects yielded a range of approximately 41% to 62%. This land use allocation yields a net density of 13.44 du/ net acre at the subject for the market-priced residential units. The data ranged from 9.07 du/ net acre to 18.07 du/ net acre, with Sale 2 (The Nakase/Meadows site) at 13.24 du/ acre for the market-priced units.

The 133 affordable housing units would be located on 5.1 net acres for a density of 26.08 du/ net acre. The affordable housing units at Sale 2 had a density allocation of 26.15 du/ net acre. The apartment component at Sale 3 had a density of 36.54 du/ acre.

Among the comparable data items presented in this appraisal, only Sale 3 had a commercial component. The land area dedicated to commercial use in that property comprises over 23% of the total project area; however, this was a specific target amount, based on projections of potential tax revenue sought by the City of Whittier. Offsetting this in the overall entitlement framework, the specific plan for Sale 3 provided for high density residential and required no affordable housing element.

In the case of the subject, 10.2 acres, or approximately 10% has been allocated to commercial use.

The amount of land dedicated to park, open space and recreational area among the data that were most comparable to the subject in terms of likely development characteristics (Sales 2, 3 & 4) ranged from approximately 7% to just less than 20% of the total site. I concluded at 15.0% for the subject.

The land area allocated to roads, street medians and parkways varied between projects from approximately 9% to 28% of the total project area. This land use component can be influenced by a variety of factors. In the case of Sale 2, which had the 28% allocation, approximately 10% was dedicated to street medians and parkways, with the roads accounting for 18%. For the subject, 15% was used.

Again, any land use allocation is acknowledged to be speculative; however, as discussed, it is appropriate to estimate the number of market-priced units for which a prospective site would likely obtain entitlement because this is a major driver in investors' purchasing decisions.

At the subject, this number is influenced by the corresponding affordable housing requirement, which is, in turn, generated by the number of market-priced units. The interdependence of these two land use components, coupled with market expectations of relative density and likely jurisdictional controls, informed the thinking and analysis that resulted in the estimate presented below.

Land Use	**Acreage**
Residential – Market Priced (750 units)	55.8 acres
Residential – Affordable Housing (133 units)	5.1 acres
Commercial	10.2 acres
Open Space, Parks & Recreation	15.2 acres
Roads & Infrastructure	15.2 acres
Total	101.5 acres

In light of all the foregoing, including analysis of the market data and the specific development requirements at the subject, I concluded that a land use allocation generally similar to the above had a reasonable probability of obtaining entitlements from the appropriate jurisdictional entities. Further, market evidence indicates that in a competitive and open market well-informed investors would reasonably base their purchasing analyses and decisions on such a general framework of potential land use.

Highest and Best Use As Improved:

As indicated in the Property Description section of this report, the subject is currently improved with an 18-hole public golf course that includes a driving range, three practice putting greens, a pro shop, and a 5,000 square foot full-service bar and restaurant. It is managed by Billy Caspar Golf, LLC under a lease that expires on June 30, 2024. There are options for two successive three-year renewals.

The income generated by the golf course use is limited for such a large land site in Orange County. It's capitalized value is well below the reasonable value of the site at its highest and best use as vacant.

As discussed above, it is anticipated that the entitlement process for the subject to its highest and best use as master-planned development will be lengthy, uncertain, and potentially costly. It is likely to be a miniumum of four to five years and potentially longer.

The existing golf course is a well-established entity with fairly consistent patronage that provides steady albeit modest revenue. Therefore, highest and best use as improved is for continued interim use of the golf course while the entitlement process is undertaken. Once approvals for development are obtained, the golf course would be demolished and redevelopment of the subject site to its highest and best use as vacant would be undertaken.

VALUATION

Introduction:

The subject property is a 101.5- acre parcel of generally level land that is currently improved with a public golf course. Its ultimate highest and best use is development to a master-planned community.

This valuation is based upon the extraordinary assumption that the utility and value of the appraised property is subject to the Surplus Land Act and to Government Code 54233.

Therefore, the subject property is valued as being available to the open market generally for any and all uses that would reasonably be permitted by the relevant jurisdictional authorities and land use controls; however, if 10 or more residential units are developed, then 15 percent of the total number of units must be dedicated to affordable housing.

As described in the highest and best use section of this report, it was considered to be a reasonable and market-supported basis of analysis that the subject property would ultimately obtain entitlements for 750 market-priced residential units and, per Code 54233, be required to develop an additional 133 affording housing units.

There are three traditional approaches to valuation commonly used in real estate appraisals. These are the cost approach, the sales comparison approach, and the income capitalization approach. When applicable, these approaches to value are used as complementary analyses that serve as useful checks on one another. Each approach addresses the valuation from a different perspective, and each has strengths and weaknesses with regard to specific characteristics of the appraised property.

The sales comparison approach will be utilized in this appraisal. The income approach can be used for valuation of large master-planned developments such as the subject through the technique of a discounted cash flow developmental analysis. However, in this case, because there is so much uncertainty as to what the timing, cost and ultimate configuration of the fully entitled project might entail, this approach was considered to be too speculative to be helpful. Because the subject of this appraisal is of effectively vacant land, the cost approach was not applicable.

Sales Comparison Approach:

The sales comparison approach is based on the premise that an informed purchaser would pay no more for a property than the cost of acquiring another property with the same utility. It assumes that market value for the subject property can be estimated by analyzing differences and similarities between the subject and recently purchased competitive properties. This approach is applicable when an active market provides sufficient quantities of reliable data that can be verified from authoritative sources.

The sales comparison approach employs the following procedure:

Information regarding sales, escrows, listings, and offers to purchase similar properties are identified and researched.

Appropriate units of comparison are selected based on market research. These units of comparison are then used in the development of a comparative analysis. The primary units of comparison recognized by the market in valuation of vacant residential land of the size of the subject is typically price per square foot (or acre) and price per dwelling unit.

Comparative analysis focuses on the characteristics of sale properties (similar to the subject) that affect value. Each sale property is studied and compared to the subject. Where numerical adjustments cannot reasonably be derived from empirical data, the comparative analysis consists of determining whether the subject is similar, inferior or superior to the sale property with regard to each element of comparison.

The primary elements of comparison include:

Transactional Elements:

Property rights conveyed
Financing terms
Conditions of sale
Market conditions (trend from date price set to date of value)

Property Elements:

Location

Physical Characteristics

Site characteristics - size, shape, location, access, topography, etc.

Legal Characteristics

Entitlement status
Entitlement costs
Land use allocation permitted in final plan
Affordable housing element

Reconciliation:

The final step in the sales comparison process is to form a value conclusion based upon the various indications derived by the comparative analysis.

Comparative Analysis:

Over 20 land sales were initially reviewed. From among these five were considered most pertinent to the valuation of the subject property. Details of these five transactions and brief remarks regarding the characteristics of each property can be found in the Addenda Section of this report. Further discussion regarding each sale and a comparative analysis with the subject is presented below.

<u>Elements of Comparative Analysis</u>:

Market Conditions:

Adjustments for changing market conditions between the date of sale and the date of value are often warranted. In the case of properties such as the subject, the date at which the price is set, which is usually defined in a Purchase and Sale Agreement (PSA) document, can often be several years prior to the close of escrow, or the recorded date of sale. The intervening period between the signing of the PSA and the close of escrow is typically when the potential buyer undertakes the entitlement process. Close of escrow is usually contingent upon the buyer obtaining the specific approvals, often defined in the PSA, necessary to assure that physical development will be legally permitted to proceed. An annual 6% upward adjustment for trend was used.

Location:

As with nearly all real estate, location is an important factor in determining value for a master planned community such as the subject. Key locational criteria, particularly for residential users, are surrounding influences, distance to employment and ease/time of commute, proximity to retail businesses and services, recreational amenities and school systems. Access is considered to be a component of location.

Size:

Conventional real estate principles suggest that larger parcels will sell for less on unit basis (price per square foot or price per dwelling unit) all other things being equal. However, this does not necessarily pertain with a master planned development of the size of the subject and the data. Issues related to economy of scale, absorption period, and risk related to an enhanced uncertainty when there is a lengthier, more complex and substantial development process were considered. In this analysis, there was limited evidence of the impact of size on unit value between the various data and the subject. The exception was Sale 5.

Site Conditions:

Site conditions - such as topography, soils, and shape among others – can impact sale price in the raw land condition. Parcels that require more expensive site development will typically sell for less than comparable properties with less expensive projected development costs.

Entitlements:

The entitlement process is a critical part of the development of a master planned community. The burden of procuring entitlements, including costs, risk and time can be borne by the buyer, the seller, or a combination of both. All three of these cases are represented in the data set.

The subject property is without any effective entitlements. It is zoned as Open Space. The current owner, the City of Garden Grove, will not be undertaking entitlement of the site. Therefore, this analysis assumes that the potential buyer will make the financial investments, commit significant time and entrepreneurial effort, and take on the risks associated with obtaining the approvals necessary for development of the subject site to its highest and best use.

The entitlement requirements generally include an approved Specific Plan, Zoning, General Plan Amendment, Development Agreement, Vesting Tract Map, Final EIR, resource agency permits, processed final maps and processed improvement plans among other documents. Many buyers will not close escrow until the site is up to the point in the entitlement process of having the capacity to pull grading permits, or as “shovel ready.”

Again, there is considerable risk attendant to obtaining these approvals, and the timing can be far from certain and potentially be extended by factors beyond the well-informed land developer’s control. This reality is reflected in the data and will be considered in the valuation of the subject.

Density:

When the comparative analysis is undertaken on per unit basis, adjustments for density are appropriate. All other things being equal, lower density product typically reflects a higher value per unit and, conversely, higher density projects are typically less per unit.

Market evidence does not necessarily show that the same level of adjustment is required when comparable data with different densities are analyzed on a per acre or per square foot basis. More residences per acre does not necessarily translate to significantly more residual value per square foot of land because the costs of site development and construction per square foot are increased to serve higher density developments.

As has been discussed, based upon a review of market evidence and the requirements of the Surplus Land Act, this valuation analysis considers a highest and best use for development of the subject to include 750 market-priced units and 133 affordable housing units. The total of 883, or a density of 8.70 du/ acre, will be the basis of the following analysis.

Affordable Housing Requirement:

Not all jurisdictions require that affordable housing be a component of a master-planned community development. There can be alternative “extractions” required from the development that are geared towards serving general community benefits.

When an affordable housing element is required, many jurisdictions typically provide a framework, specific to each planned community project, that the developer must conform to. (Such is the case with the subject where 15% of the residential units must be affordable housing.) These can differ significantly between projects for a variety of reasons.

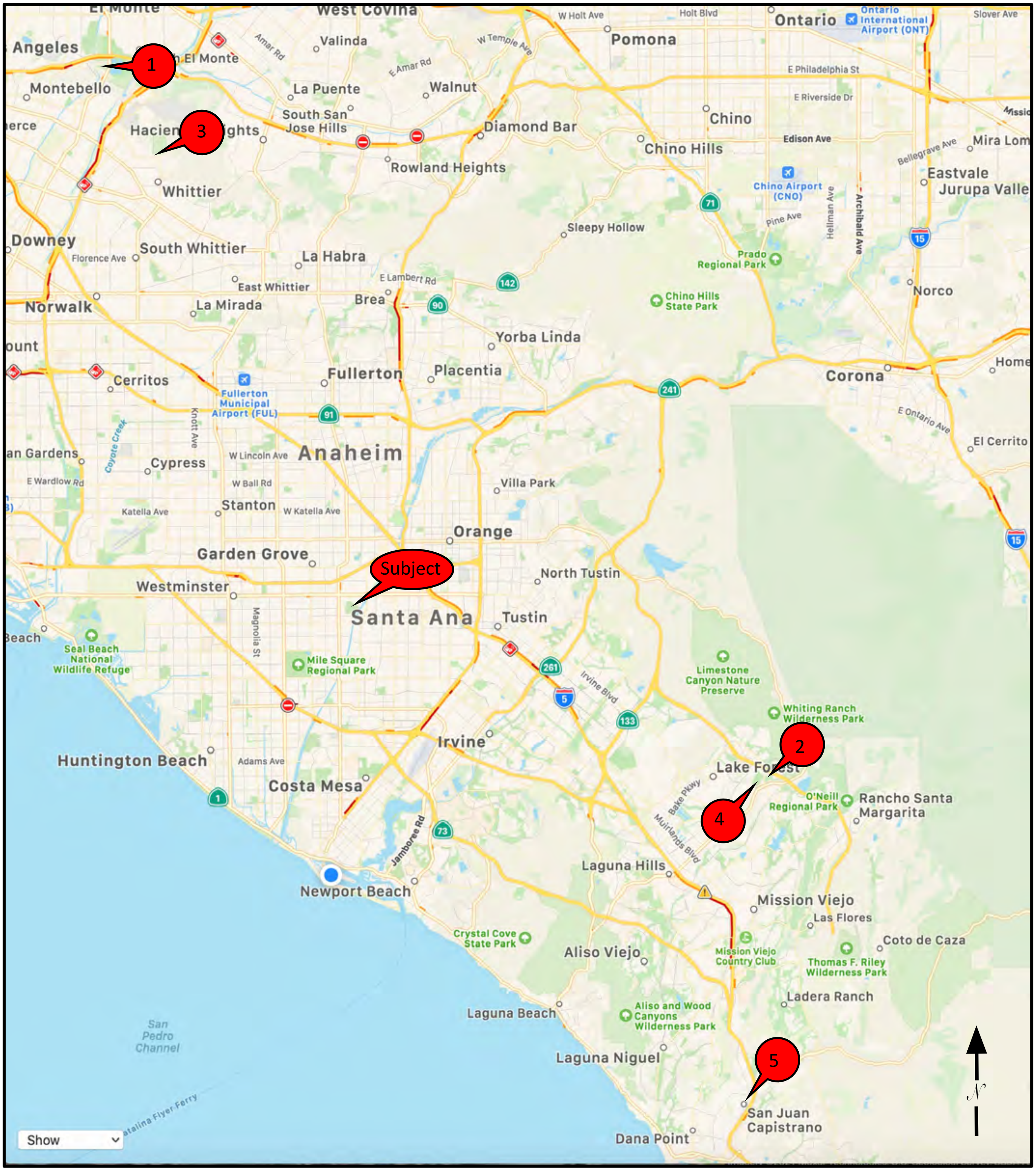
The criteria for the standard and type of affordable housing product developed in any particular project are typically established through negotiations. This process creates an additional layer of uncertainty for well-informed investors in land with a highest and best use of a master-planned community.

Accordingly, for the purposes of this analysis, in the sales comparison analysis presented below the subject will initially be valued as if all units were market-priced. An adjustment for the specific affordable housing requirements that would be reasonably anticipated at the subject will then be made to reflect the subject value under the Surplus Land Act and Government Code 54233.

LAND SALES DATA SUMMARY

Item No.	Location APN	Date Doc. No.	Sale Price	Acres Sq. Ft.	Price/Acre Price/Sq. Ft.	Units DU/ Acre	Price per Unit	Remarks
Subject	Willowick Golf Course 3017 W. 5th Street Santa Ana 198-282-(01-03); 198-291-(03-06, 08	2/24/21	TBD	101.5 4,421,340	TBD	883 8.70	TBD	The subject property is currently improved with an 18-hole golf course. It is a generally level site. The property is unentitled and zoned for Open Space. Subject to Surplus Land Act Government Code 54233, requiring 15% Affordable Housing.
1	North Montebello Blvd. Montebello Book 5271 - Multiple APNs	12/11/20 1631586	$190,000,000	174 7,579,440	$1,091,954 $25.07	1,200 6.90	$158,333	Additional $15M in non-applicable extension payments required prior to close of escrow. Price set January 2018. All entitlements up to pulling grading permits approved and in place at close of escrow.
2	20621 Lake Forest Drive Lake Forest (The Meadows) 612-221-01; 612-212-(01-03)	9/14/20 491896 491898	$102,085,000	125.08 5,448,485	$816,158 $18.74	675 5.40	$151,237	Former Nakase Nursey bought by Toll Brothers to be developed as The Meadows. 675 market rate residences with an additional 68 affordable senior housing units. Potential dedication of 11.5 acres for elementary school site. Price set 5 years prior to sale. Entitlements approved January 2020.
3	E. Whittier Blvd & Sorenson Whittier (The Groves) Tract No. 72953	4/27/18 NA	$42,500,000	74.71 3,254,368	$568,866 $13.06	750 10.04	$56,667	Purchase and sale agreement entered into 6/16/11. Entitled for 561 for-sale homes & 189 apartments plus 150,000 sf commercial. Extensive legal challenges and demolition costs.
4	Bake Pkwy & Biscayne Bay Dr. Lake Forest (Serrano Summit) 104-132-36, 65, 84 (old)	9/1/17 374689	$136,000,000	91.30 3,977,028	$1,489,595 $34.20	510 5.59	$266,667	Serrano Summit - former Irvine Water District site. Closed with entitlements in place, "shovel ready." Price set at close based on entitled number of units. Dedication of significant area to City as part of Development Agreement. Significant retaining wall costs included in Civic Center dedication.
5	32382 Del Obispo San Juan Capistrano (The Farm) 121-182-17, 62, 63	9/1/20 456882	$41,200,000	33.99 1,480,604	$1,212,121 $27.83	169 4.97	$243,787	Raw land with entitlements for 169 homes. TTM approved July 2020. Currently in full plan check with grading plans submitted for review.

LAND SALES DATA MAP



Aerial view easterly of Montebello Hills showing developable
area with surrounding natural habitat.

Sale 1: (Sold 12/11/20 for $190,000,000; 174 acres for $25.07 per square foot; 1,200 units for $158,333 per unit; 6.90 du/ acre)

The actual outlay for the buyer included an additional $15.0M of non-applicable extension payments made prior to escrow closing. This was a joint venture between Toll Brothers and Lennar who split the purchase price. The price was set in January 2018. The price was negotiated and was ultimately driven by having 1,200 units approved under the Specific Plan as opposed to being sold exclusively on an acreage basis.

The total sale property includes an additional 315± acres of open space. This non-developable area includes gnatcatcher habitat, fuel modification zones, publicly accessible trails and a large SCE easement.

Entitlements at the date of close of escrow included an approved Specific Plan, Zoning, a General Plan Amendment, Development Agreement, Vesting Tract Map, Final EIR and processed improvement plans, final maps and resource agency permits for Phase 1 of the proposed five planning areas.

Entitlement of Sale 1 was a decades long process. Initial proposals for entitlement were submitted in the 1990s. Cook Hill Properties took over the entitlement process in the early 2000s and coordinated the development of proposed concepts with relevant federal and state environmental agencies. Numerous technical environmental studies were prepared. In 2007 a Specific Plan with the current framework of 1,200 residential units on 174 acres was submitted, and a community outreach program was initiated. There were several legal challenges to the development, but in January 2020 the Montebello City Council approved the tentative tract map that opened the final path to development. The buyers, Toll Brothers, had incurred a multi-million dollar investment in the entitlement process at the close of escrow.

The primary developable portion of Sale 1 is elevated above the surrounding area, and it has a very uneven topography. Consequently, a massive grading operation was underway at the time of inspection. The conceptual grading plan indicated quantities of 6.0M± cubic yards of both cut and fill on site. The cost to complete was estimated to be $150M to $200M with $90M+ for backbone infrastructure and mass grading. In-tracts included about $20M of impact fees at building permit.

Within the 174 acre master plan area, and in addition to the 1,200 market-priced residential homes, there will be a 5.8 acre public park, seven walkable pocket parks, a 10,000 square foot recreation center and 8.1 acres of publicly accessible “Scenic Promenade” trails. As indicated, there is an additional 315± acres of open space that includes 268 acres of natural habitat. No allocation for affordable housing was required.

In comparative analysis between Sale 1 and the subject, an upward adjustment for market conditions was indicated from the date of setting the price (January 2018) to the date of value.

Sale 1 is in close proximity to two major retail centers and less than ¼ mile from the 60 Freeway on-off ramp at Paramount Boulevard. The subject is also well located in terms of freeway access. While there are older retail amenities along the Harbor Boulevard and Westminster Avenue, these are considered to be inferior to those in the immediate vicinity of the sale.

In this regard, Sale 1 appears to have superior surrounding influences in comparison with the subject. However, as was discussed in the Market Analysis section of this report, the average list price for single family residences as of March 2021 in the Santa Ana zip code in which the subject is located was $617,000. At the same date, it was $626,400 in the 90640 zip code wherein Sale 1 lines. Because the homes are generally similar in age and condition, this appears to indicate general comparability in terms of market perceptions of location between the sale and the subject.

Due its rougher topography, site development of Sale 1 will be more costly than at the subject, which is generally level. Therefore, the subject is judged to be superior in terms of topography. This is offset somewhat by the view potential at Sale 1, which could ultimately be reflected in higher home sale prices. Overall, an upward adjustment was made for the subject's level topography (and lower projected development costs) in comparison with Sale 1.

The Specific Plan for Sale 1 was approved in 2015. Therefore, when the price was set in January 2018, considerable entitlement work had been completed and there was a reasonable probability that the final approvals for 1,200 dwelling units would be obtained. This is a superior condition to the subject which has had no entitlement work carried out and no plans approved at the date of value. A downward adjustment was indicated for the inferior status of subject's entitlements in comparison with Sale 1.

The density at the Sale 1 was 6.90 du/ acre. The proposed number of market-priced units at the subject is 750, which is equivalent to 7.39 du/ acre. This is considered to be effectively comparable. However, when the additional 133 affordable housing units are added to the subject, the effective density is 8.70 du/ acre, which is the basis of this analysis. An adjustment downward on a per unit basis was indicated.

After consideration of all these factors of comparison Sale 1 indicated a subject value ranging from approximately $24.00 to $26.00 per square foot. Analyzed on a per unit basis, an indication of approximately $120,000 per unit resulted for the subject property.

View southwesterly from Rancho Parkway of Sale 2.
(Photo taken 3/12/21)

Sale 2: (Sold 9/14/20 for $102,085,000; 125.08 acres for $18.74 per square foot; 675 units for $151,237 per unit; 5.40 du/ acre)

This sale item is the former Nakase commercial nursery. The price was set in late 2016. An upward adjustment between the date of setting the price and the date of value was indicated.

All entitlements were carried out by the buyer, Toll Brothers. Initial pre-applications were submitted in 2017. Once the conceptual plans were approved, Toll sought to process as much as possible concurrently. The company had recently been involved in the development of the nearby Baker Ranch and had established working relationships with the City of Lake Forest and obtained all the documents necessary for final approvals by the City Council in January 2020.

Like the subject, the site is effectively level. The approved plan calls for five neighborhoods with 675 market-priced residences. There will be a central park and an open space habitat. Additionally, the buyer (Toll) has dedicated 11.5 acres to an elementary school site. At this stage it is not certain that the school district will acquire the site. If not, the land could be opened up to more residential development.

The City of Lake Forest has its own requirement that 15% of the residential units must be dedicated to affordable housing. This is similar to the subject requirements under the Surplus Land Act; however, in practice the City of Lake Forest uses an internal point system that is specific to its jurisdiction.

The primary factors considered are size, number of bedrooms and affordability of the units. These interdependent elements are worked into a formula which resulted, in the case of Sale 2, in a requirement that 68 affordable units be constructed. This is 9.15% of the total of 743 units to be constructed.

In terms of product type, the City approved senior affordable housing which will be rented. The 68 units will be located on 2.6 acres for a net density of 26.15 du/ acre.

In terms of physical characteristics, Sale 2 is very comparable to the subject. Also, the price was set when the property was unentitled, which is similar to the subject. The period required to obtain approvals was approximately four years for a development company which had considerable experience in the market area and with the City. Seeking concurrent approvals facilitated the process. Based on discussions with representatives of the City of Santa Ana and a review of actual entitlement periods for other projects in the data set, in my judgment it is not a reasonable probability that approvals for the subject would be obtained in similar time period. Well-informed investors would anticipate the entitlement period to be longer and fraught with greater risk. Therefore, a downward adjustment was indicated for this element of comparison.

The market area for Sale 2 is considered to be a superior general location to the subject. Among other elements of comparison, the median home value was estimated to be $851,500 in March 2021, by Zillow Research while the subject market area was $617,000. This relationship was confirmed by data obtained from RealQuest on a price per square foot of living area basis as well. It is recognized that the newer age of the homes in the vicinity of Sale 2 accounts for some of this difference. Considering various elements, a downward adjustment of approximately 15% was indicated for subject's location and surrounding influences in comparison with Sale 2.

After undertaking the comparative analysis between Sale 2 and the subject, a range of value for the subject from $20.50 to $22.50 per square foot resulted.

The entitlement of Sale 2 required development of an additional 68 affordable housing units. This is 9.15% of all units constructed, which is a less burdensome obligation to the revenue of the total property in comparison with the subject. Accordingly, a downward adjustment was made for the subject's greater relative affordable housing obligation.

On a per unit basis, this analysis resulted in an indication of approximately $110,000 per unit for the subject.

View southwesterly of the entry to Sale 3 (The Groves) from Whittier Blvd.

Sale 3: (Sold 4/27/18 for $42,500,000; 74.71 acres for $13.06 per square foot; 750 units for $56,667 per unit; 10.04 du/ acre)

This sale property is the former Nelles Youth Correctional facility. A 100+ year old State-owned parcel, it was improved with over 50 buildings and various underground facilities that required demolition.

The sale and entitlement process for this property was unusually protracted. The purchase and sale agreement (PSA) was signed in June 2011 when the price was set by active negotiations between buyer and seller. The buyer (Brookfield) undertook all entitlements including various legal challenges to the transaction. Total entitlement costs exceeded $5.0M. The deal closed in April 2018 when all the entitlements that had been set out in the PSA had been obtained and when all litigated appeal periods had been extinguished.

The property was sold in an “as-is” condition with no future liability exposure for the seller (State of California). Risk arose from the demolition and deconstruction of the existing improvements, underground features and uncertain soil conditions.

Mitigation for traffic impacts on Whittier Boulevard were provided by a combination of direct construction and enhanced fees. Land allocation in developing the Specific Plan was a negotiated process with the City of Whittier. The City sought a significant commercial use in order to generate tax revenues. The ultimate size of the commercial site, which is less productive for the developer in terms of value than residential, was ultimately based upon meeting these tax generation requirements.

It was reported that the City suspended its affordable housing ordinance for this project, but it increased the development impact fees to balance this.

At the completion of site development, a 15.6 net acre retail site in superpad condition was sold to a retail developer. Likewise, a 6.5± acre apartment site was sold to an independent builder. The remainder of Sale 3 is being developed in a joint venture arrangement between the buyer (Brookfield) and Lennar. The residential product will be townhomes ranging in size from 822 square feet to 1,750 square feet and single family residences from 1,800± square feet to 3,000± square feet.

A significant adjustment for market conditions from the date of setting the price to the date of value was indicated. An upward adjustment for demolition time and costs was also made.

The locational characteristics are considered to be generally equivalent between the subject and Sale 3. While the overall median home value in Sale 3's zip code is approximately $573,000 in comparison with the subject's $617,000, this can be attributed to the fact that many of the homes in Sale 3's market area are small and older, having been constructed in the 1950's. More recent construction (1997) shows prices on a per square foot basis similar (or slightly above) the Harbor Homes development (2006 construction) adjacent to the northwest corner of the subject. A neighborhood retail center, anchored by a Ralph's market, is located immediately across Whittier Boulevard from the subject. Whittier High School is ¼ mile to the east on Philadelphia Street, and the 605 Freeway is 1.3 miles to the northwest on Whittier Boulevard.

The overall density at Sale 3 is higher than at the subject, indicating an upward adjustment on a per unit basis. Because the price for Sale 3 was set with no entitlement work undertaken, no adjustment for entitlement status was indicated because the subject is considered to be in the same condition.

After all adjustments, comparative analysis of Sale 3 with the subject on a price per square foot basis, resulted in an indication for the subject on the order of $24.25 per square foot.

When analyzed on a price per unit basis, an indication of $118,650 per unit resulted.

Serrano Summit – Single Family Residences

Serrano Summit – Townhomes

(photos taken 3/12/21)

Sale 4: (Sold 9/1/17 for $136,000,000; 91.30 acres for $34.20 per square foot; 510 units for $266,667 per unit; 5.59 du/ acre)

Sale 4 sold as a fully entitled site with the price set at closing. Entitlement included the “A” TTM which permitted master-plan “backbone” grading. All that was required was to pull a grading permit to commence development.

The seller was the Irvine Ranch Water District (IRWD), which had entitled the property as Tentative Tract No. 17331. The gross acreage was 123.60 acres. 32.30 acres were quitclaimed back to IRWD for existing water district facilities.

The project was entitled for 608 units, but productivity analyses indicated that the maximally productive use of the property was for 500 units. The sale price was based an overall price per unit for the 500 units. The buyers subsequently amended the plan slightly to raise the total to 510 units.

Northerly terrace retaining wall.

The topography of the site was irregular at the time of purchase. The grading plan was designed to transform the site into mass graded pads with two main terraces. According to a Moote Group estimate backbone costs were $46,400 per unit with intracts at approximately $92,000 per unit.

A requirement for approvals was that 11.5± gross acres would be dedicated to a new Lake Forest Civic Center. The Development Agreement stipulated that the developer was to provide 8.13 acres of “net usable pad area.” This included the costs of the retaining wall construction that was estimated to be between $2.0M and $3.0M. Approximately 17.6 acres of the site was dedicated to landscaped lots, some for terracing, and parks and recreational facilities.

Six residential product types are being constructed. The smaller townhouses range in size from 1,321 square feet to 1,736 square feet. The largest single family residences have four to five bedrooms and range in size from 2,637 square feet to 3,300 square feet.

There was no affordable housing requirement. Representatives of the planning department at the City of Lake Forest indicated that the Civic Center dedication was considered to be “in lieu” of an inclusionary housing obligation.

An upward adjustment for trend from the date of sale to the date of value was made. A significant downward adjustment was made for the completed entitlement status of Sale 4 in comparison with the subject's unentitled status.[13]

An upward adjustment was made for subject's level site in comparison with Sale 4's extensive grading and terracing requirements with retaining walls. A downward adjustment was made for the superior location of Sale 4 in comparison with the subject, just as was the case with nearby Sale 2. A downward adjustment on a per unit basis was made for density.

After consideration of all adjustments, an indication of subject value of approximately $23.70 per square foot resulted. On per unit basis, the indicated value for the subject was $140,000 per unit.

View easterly of The Farm project from Del Obispo Street

Sale 5: (Sold 9/1/20 for $41,200,000; 33.99 acres for $27.83 per square foot; 169 units for $243,787 per unit; 4.97 du/ acre)

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[13] The original Development Agreement was approved in 2008. It was amended in 2011 and once again in May 2017. The sale closed in September 2017.

According to representatives of the City of San Juan Capistrano, the Specific Plan for this project was submitted in June 2016 and approved in May 2018. The date that the agreement on price was reached was not available despite investigating various sources; however, it is reasonable to consider that, in keeping with typical practice, the PSA was signed prior to the submission of the Specific Plan because all entitlement work was undertaken by the buyer. Escrow closed in September 2020, only after final approval of the TTM in July 2020.

This property is a level site. Nominal grading will be required with the exception of some fill to adjust the grade for the connector streets. The density of the approved plan of development for Sale 5 is a relatively low 4.97 du/ acre. Called “The Farm”, this project is entitled for one and two-story single-family homes ranging in size from 2,193 square feet to 3,525 square feet. Community amenities include a 0.5 acre recreation area and 0.5 acre park.

The surrounding influences and general location are significantly superior to the subject. The average home price for the San Juan Capistrano zip code was $851,000 as of March 2021. The immediate surrounding influences has a mix of older single-family residences and townhomes as well luxury homes on large lots selling for in excess of $3.0M.

An upward adjustment was made for trend. A downward adjustment for location and surrounding influences was also supported by the data.

Sale 5 is smaller than the subject which indicates a downward adjustment on a per square foot basis for size. Sale 5 has limited land use allocation requirements relative to those anticipated for the subject at its reasonably probable approved highest and best use. This also indicates a downward adjustment for the subject. Further, Sale 5 has no affordable housing requirement.

Overall, after considering all adjustments, Sale 5 provides an indication for the subject on the order of $24.00 per square foot. After consideration of all comparable factors, including relative density, Sale 5 indicates a subject land value on the order of $128,000 per dwelling unit.

Reconciliation:

As a result of the foregoing sales comparison analysis, the following data of unadjusted sale price and adjusted indications of subject value, expressed on a price per square foot basis, resulted:

Sale No.	Unadjusted Price	Adjusted Indication
1	$25.07	$24.00 - $26.00
2	$18.74	$20.50 - $22.50
3	$13.06	$24.25
4	$34.20	$23.70
5	$27.83	$24.00

All the data was given consideration and weighted in accordance with my judgment of their relative reliability and comparability to the subject property's legal and physical characteristics at the date of value. As a result of this study, I concluded that the sales comparison approach, analyzed on a price per square foot basis, indicated the market value of the appraised property to be on the order of $24.00 per square foot.

For the 101.5-acre subject site, this is equivalent to $106,112,160.

I also analyzed the comparable data on a price per unit basis. As discussed previously the highest and best use of the subject was concluded to have 750 market-price units and 133 affordable housing units, for a total of 883 units. This is equivalent to 8.70 du/ acre for the total 101.5-acre site.

As indicated, the initial phase of this analysis is to value the property as if all 883 units were market-priced. An adjustment for the Surplus Land Act requirement that 15% of those improvements (133 units) be affordable housing will be made after obtaining a conclusion of market value on an unencumbered basis.

Again, it is acknowledged that the number of units/density at the subject property is not definitive. A higher or lower density could be used. The conclusion of density presented in this appraisal is based on a study of the densities of comparable market data, investigations of the analyses and experiences of developers and land brokers, as well as interviews with planners at various jurisdictions, including the City of Santa Ana.

It is important to note that the comparative analysis presented here is based on the assumption of 8.70 du/ acre for the subject. If a higher density were considered, the analysis would result in a lower price per unit. If a lower density were used, then the corresponding unit value would increase.

The results of the foregoing sales comparison analysis, on a price per dwelling unit basis, are summarized as follows:

Sale No.	Unadjusted Price	Adjusted Indication
1	$158,333	$120,000
2	$151,237	$110,000
3	$56,667	$118,650
4	$266,667	$140,000
5	$243,787	$128,000

Again, after giving all the data consideration and weighting them in terms of their relative reliability, I concluded that market value of the subject, based on the operating assumption of an 8.70 du/acre density, was $125,000 per dwelling unit.

With the assumption of 883 units representing the highest and best use of the subject property, this reflects a total property value of $110,375,000.

The sales comparison analysis yielded two indications of value based upon the units of comparison employed:

Price per Square Foot Basis:	$106,112,160
Price per Dwelling Unit Basis:	$110,375,000

In light of all the foregoing, I formed the opinion that the market value of the subject site, as vacant and without affordable housing requirements, was $110,000,000 as of the February 24, 2021, date of value.

Market Value of Subject Land
(No Affordable Housing)

$110,000,000

Adjustment for Affordable Housing Requirement:

As previously discussed, Government Code 54233 requires that a minimum of 15% of the total residential units developed on land classified under the Surplus Land Act must be made available for affordable housing. In the case of the subject, this means that 133 of the 883 proposed units will be dedicated to affordable housing.

Affordable housing can be either for-sale units or rental units. For this analysis, for-sale units have been considered.

Typically, the price for the individual affordable housing units is based upon the income category to which the project is assigned and the number of bedrooms within each unit. The formulas for setting the price can be complex.

There are four levels of income criteria established by the California Department of Housing and Community Development (HCD). These are based on a percentage of the local area median income (AMI). These four standards are as follows:

- Extremely low income: 0-30% of AMI
- Very low income: 30% to 50% of AMI
- Lower income: 50% to 80% of AMI
- Moderate income: 80% to 120% of AMI

The application of the AMI varies depending on the number of persons in the household. The standard of the HCD Median Income in Orange County for a household of four was $103,000 in 2020. The full array of income standards in Orange County is as set out below:

Household Occupants	HCD Median	Low Income	Very Low Income
1	$72,100	$71,750	$44,850
2	$82,400	$82,000	$51,250
3	$92,700	$92,250	$57,650
4	$103,000	$102,450	$64,050
5	$111,250	$110,650	$69,200
6	$119,500	$118,850	$74,300
7	$127,700	$127,050	$79,450
8	$135,950	$132,250	$84,550

It is acknowledged to be speculative to project what the size and configuration of the units that would be allocated to affordable housing might be after going through the full (and uncertain) entitlement process. That said, a review of market evidence indicates that it would be reasonable to assume that the affordable housing units would be a smaller townhome-type of product with living areas ranging from 900 square feet to 1,600± square feet and would typically have one to three bedrooms, with possibly four bedrooms in the larger units. Comparable market-priced units of the same size and configuration would be built at the subject as well.

It is equally speculative to project what the HCD criteria applicable to the affordable units would be; i.e., what level, or % of AMI. It is perhaps noteworthy that representatives of the City of Santa Ana have expressed the opinion that City has already provided a large amount of affordable housing relative to many neighboring communities in Orange County. Therefore, there may be less receptiveness to providing housing at the lower end of the spectrum.

The ultimate purchase price for affordable housing is ultimately contingent upon the HCD income level applied and the number of household members. Because of the large number of units (133) at the subject, there is likely to be a combination of income levels ranging from 50% to 80% of AMI.

For the purposes of this analysis, I used an overall average calculation based on 70% of AMI. I considered household sizes ranging from two (2) to five (5) residents. Thirty percent (30%) of income was allocated to household expenses including mortgage. The official State income limits for 2020, effective April 30, 2020 was used since the updated figures for 2021 have not yet been published.[14] The supportable mortgage was on a 3.0% APR for a 30-year fixed loan, reflective of interest rates at the date of value.

Exhibit 1 shows the results of this analysis and provides a maximum purchase price for the affordable homes based upon the aforementioned criteria.

The townhome sales data supporting the market-priced retail values of the same units can be found in the Addenda Section of this report. The conclusions of market prices for various unit/plan sizes can be found in columns four and five of Exhibit 2.

In order to judge the diminution in total subject land value due to the reduced revenue potential for the developer from construction and selling of affordable-priced units as compared to market-priced units, an analysis based upon the valuation techniques of the manufactured land value/ product ratio methodology was undertaken.

The manufactured land value/ product ratio methodology is commonly used by owners and developers of potential subdivision land to measure value. It is judged to have good reliability because it is based upon empirical evidence that relates the price that market participants are willing to pay for land to the potential value of the finished improved properties within a project. The steps followed in this process are typically as follows:

1. The aggregate retail price of the proposed units within a project is estimated based on market evidence.
2. A finished land/ product value ratio applicable to the subject is determined based on market evidence. I researched a wide range of projects in Orange County and Los Angeles County wherein the land price, finishing costs and ultimate retail prices were investigated to

[14] In my calculations I used the Orange County Utility Allowance schedule, effective October 2019, to correspond with the 2020 AMI used. I have reviewed the Orange County Utility Allowance schedule, effective December 1, 2020, and it is significantly higher than the preceding year. It is retained in my files.

AFFORDABLE SALES PRICE CALCULATIONS
70% HCD Median Income - 30% Income Allocated to Housing Expenses

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Income				
Household Size	2	3	4	5
Household Income	$57,680	$64,890	$72,100	$77,875
% of Income to Housing	30%	30%	30%	30%
Income to Housing	$17,304	$19,467	$21,630	$23,363
Living Expenses				
Utilities	$1,584	$2,052	$2,712	$3,372
Maintenance/Ins./HOA	$2,400	$2,400	$2,400	$2,400
Prop. Taxes (1.10%± of Affordable Price)	$2,475	$2,800	$3,080	$3,200
Total Expenses	$6,459	$7,252	$8,192	$8,972
Income Available for Mortgage	$10,845	$12,215	$13,438	$14,391
Affordable Housing Price				
Supportable mortgage at 3.0% interest	$214,400	$241,440	$265,615	$284,450
Homebuyer down payment @ 5%± affordable price	$11,250	$12,700	$13,975	$15,000
Maximum Purchase Price	**$225,650**	**$254,140**	**$279,590**	**$299,450**

Exhibit 1

Subject Unit Market Values
Affordable Housing Adjustments

Plan	Affordable Units	Living Area (Sq. Ft.)	Market Price / Square Foot.	Indicated Market Price Per Unit	Total Project Market Price Per Plan	Affordable Price Per Unit	Total Project Affordable Price Per Plan
1	16	900	$480.00	$432,000	$6,912,000	$225,650	$3,610,400
2	18	1,000	$465.00	$465,000	$8,370,000	$254,140	$4,574,520
3	18	1,100	$450.00	$495,000	$8,910,000	$254,140	$4,574,520
4	18	1,200	$440.00	$528,000	$9,504,000	$254,140	$4,574,520
5*	18	1,300	$425.00	$552,500	$9,945,000	$266,865	$4,803,570
6	18	1,400	$415.00	$581,000	$10,458,000	$279,590	$5,032,620
7	17	1,500	$405.00	$607,500	$10,327,500	$279,590	$4,753,030
8	10	1,600	$390.00	$624,000	$6,240,000	$299,450	$2,994,500
	133				$70,666,500		$34,917,680

* average 2 and 3 bedroom

Exhibit 2

develop empirical evidence of manufactured (finished) lot ratios. Based on these analyses, the details of which are held in my files, I concluded that a 44% manufactured lot ratio was appropriate for the subject property at the date of value. The manufactured lot ratio analysis assumes that the property is entitled. An adjustment for the fact that the subject is not entitled will be made at the end.

3. This ratio is applied to the aggregate retail price to generate a manufactured land value.
4. The estimated lot finishing costs are then deducted from manufactured lot value to yield an indication of raw land value (as entitled). Based upon investigations into lot finishing costs among the data set presented in the sales comparison analysis and other projects in the market that are similar to the higher density portion of the subject wherein the affordable units would be located, I used a lot finishing cost of $80,000 per unit.

These steps are shown with percentages, based on $100, for illustration purposes below:

Aggregate Retail Price (100%):	$100
Manufactured Lot Ratio (44%):	x 0.44
Manufactured Lot Value:	$44
Less Finished Lot Costs (est. 15%):	- $15
Raw land value:	$29

The 56% of the retail price that is not in the manufactured lot value (the inverse of the 44%) includes indirect and direct costs of construction, sales costs and absorption, financing, management and developer profit. In the development of the affordable housing units these costs as well as the lot finishing costs will remain the same.

Therefore, the contribution of the land dedicated to affordable housing is calculated by deducting these costs from the aggregate affordable housing price of the 133 affordable units required at the subject property.

Exhibit 2 provides a comparison between the aggregate market price of the 133 units and the aggregate affordable price of the same 133 units.

The aggregate projected revenue of the market priced units is $70,666,500. Therefore, the contribution of the raw land (as entitled) is calculated as follows:

Aggregate Retail Price (100%):	$70,666,500
Manufactured Lot Ratio (44%):	x 0.44
Manufactured Lot Value:	$31,093,260
Less Finished Lot Costs ($80,000/lot):	- $10,640,000
Raw Land Value:	$20,453,260

The raw land dedicated to the 133 units at market retail prices makes a contribution to total property value of $20,453,260, as entitled, at the date of value.

In the above analysis, the indirect and direct costs of construction, sales costs and absorption, financing, management and developer profit are 56% of the $70,666,500. The lot finishing costs are added to this to reflect the total cost of developing the 133 units from raw land (but as entitled):

Aggregate Retail Price (100%):	$70,666,500
Construction costs, sales, profit (56%):	x 0.56
Total construction, profit, etc.:	$39,573,240
Lot Finishing Costs:	$10,640,000
Costs of Development of 133 Units:	$50,213,240

Because the cost of development of the affordable housing will be effectively the same for the same 133 units, the residual contribution of the raw land in the affordable housing development context is calculated by deducting all costs of development from the revenue generated by the affordable housing.

Aggregate Affordable Price.:	$34,917,680
Less Costs of Development:	- $50,213,240
Residual to Land (Affordable Units):	($15,295,560)

Therefore, the affordable units make a negative contribution to total subject property value in comparison with the positive contribution to property value that the market-priced units make.

Accordingly, the *difference* in the contribution to total property value between 133 market-priced units and 133 affordable units is the difference between a *positive* $20,453,260 and a *negative* $15,295,560.

Market Priced Land.:	$20,453,260
Residual to Land (Affordable Units):	- ($15,295,560)
Total Difference in Contribution:	$35,748,820

However, this analysis, which developed out of the manufactured lot/ product ratio relationship, assumes the land to be entitled.[15] But the $110,000,000 conclusion of value for market-priced units developed in the sales comparison approach presented previously considered the subject to be *unentitled*.

Therefore, the $35,748,820 difference (or reduction) in subject land value must be discounted to a present value that reflects the land as unentitled. Empirical evidence presented in the discussion of the market data has shown that a minimum of five years would be reasonable to anticipate for the entitlement of the subject. The appropriate discount rate should consider the cost of money, real estate taxes, risk and entrepreneurial effort, as well as the capital outlays for necessary entitlement expenditures.

Based on discussions with participants in the market and surveys such as the PwC Real Estate Investor Survey from the 4th Quarter of 2020, I concluded that an 18% discount rate was appropriate for the anticipated entitlement period. The discounting process also considered price increases of 5% annually.

These parameters resulted in a Present Value Factor for $1.00 of 0.5579. This factor was applied to the total reduction in the contribution of raw land for the 133 affordable units, *as entitled,* to calculate the reduction in the contribution to total property value *as unentitled* as follows:

$35,748,820 x 0.5579 = $19,944,267

This figure represents the reduction of subject property value in its as-is condition at the date of value (unentitled) by virtue of the Government

[15] The manufactured lot/product ratio data that was used to develop the opinion of a 44% ratio for the subject was based on entitled land.

Code 54233 requirement that 15% of the residential units developed at the subject property must be provided as affordable housing.

Therefore, an indication of the market value of the appraised property, subject to the requirements of Government Code 54233, as of the date of value is calculated as follows:

Market Priced Value of Subject Land.:	$110,000,000
Reduction for Affordable Housing:	- $19,944,267
Market Value per Government Code 54233:	$90,055,733

This is rounded to: $90,000,000.

Market Value Conclusion:

As indicated in the Introduction of this Valuation Section, the subject property has been appraised under the extraordinary assumption that the 101.5-acre site is available on the open-market to well-informed investors acting knowledgably and in their own best interests. This includes full recognition on the part of both the seller and potential buyers that the appraised property is subject to Government Code 54233 in the provisions of the Surplus Land Act.

In light of the above and based upon the empirical data, analyses and reasoning presented in the previous pages, I formed the opinion that, as of February 24, 2021, the market value of the subject property in its unentitled "as-is" condition, and with a highest and best use of development with a master-planned community with 15% of the residential units dedicated to affordable housing, was $90,000,000.

Market Value Conclusion:

$90,000,000

This is equivalent to 101.5 acres at $886,700 per acre, or $20.36 per square foot of land.

Addenda

LAND SALE DATA No. 1

Name:	Montebello Hills		
Location:	North Montebello Boulevard Montebello, Los Angeles County		
Assessor's Parcel:	Multiple parcels in Book 5271 See Exhibit "C" in Grant Deed		
Grantor:	Sentinel Peak Resources California LLC		
Grantee:	Metro Heights Montebello LLC Toll Brothers, Inc. (50%) Lennar (50%)		
Recording Data:	**Date Recorded**: **Document No.:**	December 11, 2020 1631586	
Sale Price:	$190,000,000	**Price Per Acre:**	$1,091,954
Site Area:	174 acres	**Price Per Sq. Ft.:**	$25.07
No. of Units:	1,200	**Price Per Unit:**	$158,333
Density:	6.90 du/ acre		

Terms: All cash. An additional $15.0M of non-applicable extension payments made prior to escrow closing.

Site Information:

Area:	174 acres of buildable area; 488 gross acres includes 314 acres of open space. Includes 268 acres of natural habitat, with a portion gnatcatcher habitat.
Shape:	Irregular
Topography:	Rolling
Utilities:	Available to the site
Access:	North Montebello Blvd., San Gabriel Blvd., Lincoln Avenue. Located 1,000± feet south of Route 60 at Paramount Boulevard.
Zoning:	Montebello Hills Specific Plan, Vesting Tract No. 70420

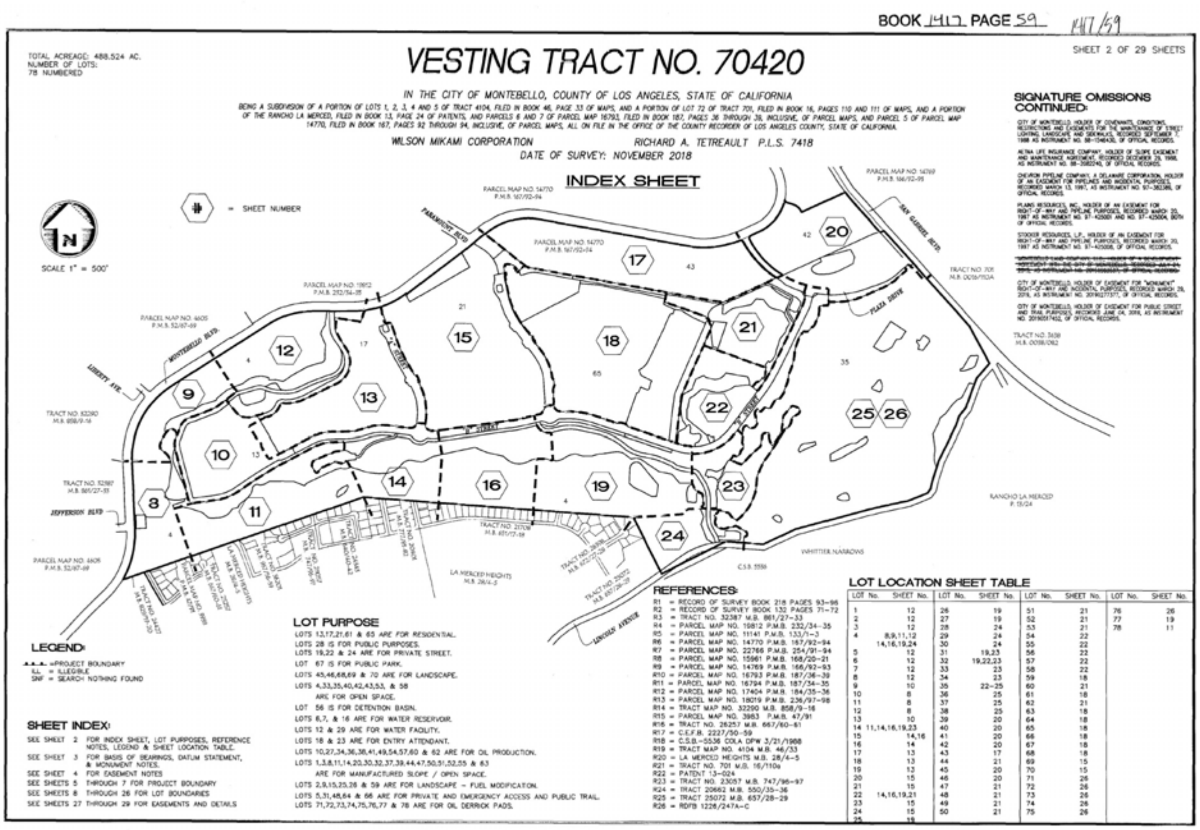
Remarks: Price set in January 2018. Price was based on having 1,200 units approved per the Specific Plan. At the signing of the Purchase and Sale Agreement entitlements included approved Specific Plan, Zoning, General Plan Amendment, Development Agreement, Vesting Tentative Tract Map and Final EIR all in place. The close of the sale was tied to being able to pull a grading permit.

Toll Brothers is reported to have incurred major entitlement costs subsequent to replacing Cook Hill Properties as designated developer in 2017.

Verification: Mackey O'Donnell, broker, Land Advisors, 2/24/21

LAND SALES DATA No. 1

Montebello Hills



LAND SALES DATA No. 2

Name: The Meadows (former Nakase Nursery)

Location: 20621 Lake Forest Drive
Lake Forest, Orange County

Assessor's Parcel: 612-221-01; 612-212-(01-03)

Grantor: Nakase, Steven M., Gary S. & Tadashi D.
Lake Forest/ Foothill Commercial LLC

Grantee: DRP CA 5 LLC / Toll Brothers, Inc.

Recording Data: Date Recorded: September 14, 2020
Document Nos.: 491896 & 491898

Sale Price:	$102,085,000	**Price Per Acre:**	$816,158
Site Area:	125.08 acres	**Price Per Sq. Ft.:**	$18.74
No. of Units:	675	**Price Per Unit:**	$151,237
Density:	5.40 du/ acre		

Terms: All cash. Nakase 120.83 acres sold for $100.085M; 4.25 acres of boundary parcels for access sold for $2.0M.

Site Information:

Area:	125.08 Acres
Shape:	Generally rectangular
Topography:	Level
Utilities:	Available to the site
Access:	Bake Parkway on northwest, Rancho Parkway on northeast. Site located approximately 850 feet south of the 241 Toll Road at Lake Forest Drive.
Zoning:	Nakase Property Area Plan approved by Lake Forest City Council January 2020.

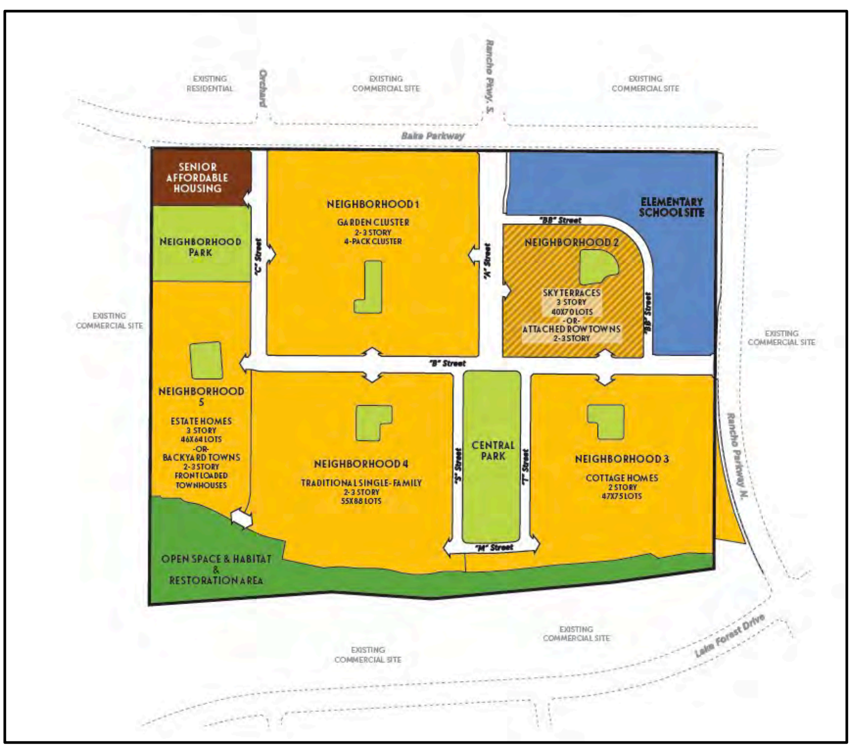
Remarks: Price set in 2016/2017. Pre-application for entitlement processing submitted by Toll Brothers in 2017. Once this was approved, Toll sought to process as much as possible concurrently. EIR, General Plan Amendment, Development Agreement, zone change, Vesting Tentative Tract Map all submitted in 2018 and obtained final approval January 2020. All entitlement costs paid by Toll Brothers.

The price was based on the approvals for 675 market rate units. Plan includes additional 68 senior affordable housing units. The buyer made 11.5 gross acres for an elementary school site. A great deal of environmental work was required to obtain State approval of the school site. It is not certain that the school district will act on the opportunity to develop the site. If not, it reverts to residential use for the developer. The senior housing requirement is based on a formula specific to the City of Lake Forest.

Verification: Allison Rawlins Tift, broker, Land Advisors, 2/18/21
Marie Luna, City of Lake Forest Planning Department, 3/3/21

LAND SALES DATA No. 2

The Meadows (former Nakase Nursery), Lake Forest



LAND SALE DATA No. 3

Name:	The Groves (former Nelles Facility)		
Location:	E Whittier Blvd. & Sorenson Whittier, Los Angeles County		
Assessor's Parcel:	8170 – (39-42); Tract No. 72953		
Grantor:	State of California		
Grantee:	Brookfield Southern California Holdings LLC		
Recording Data:	Date Recorded: Document No:	April 27, 2018 NA	
Sale Price:	$42,500,000	**Price Per Acre:**	$568,866
Site Area:	74.71 acres	**Price Per Sq. Ft.:**	$13.06
No. of Units:	750	**Price Per Unit:**	$56,667
Density:	10.04 du/ acre		
Terms:	All cash.		

Site Information:

Area:	74.71 Acres
Shape:	Irregular
Topography:	Level.
Utilities:	To site
Access:	Whittier Boulevard and Sorensen Avenue
Zoning:	Lincoln Specific Plan

Remarks:

This was the sale of the former Nelles Youth Correctional Facility. The conditions of the sale was "as-is" with no future liability to the seller (State). The site was improved with more than 50 structures and underground facilities. The PSA was signed in June 2011, and the price was set at this time by negotiations between parties. The deal closed in April 2018 based on obtaining all entitlements (as defined in the PSA) and with all potential appeals extinguished. This entitlement process was longer than anticipated; however, there were changes in jurisdictional standards and considerable litigation that extended the process. Originally there as a five-year "outside date" that was amended due to the litigation.

All entitlements and litigation were paid for by buyer and exceeded $5.0M. The Specific Plan retained four historical buildings on the site and included a 15.6-acre commercial element that is intended to provide tax revenues to the City. This was sold to a commercial developer by Brookfield for $20,625,000, or $30.25 per square foot. A 6.44 acre site was sold to an apartment developer for $24,570,000, or $87.58 per square foot. Brookfield has joint ventured with Lennar Homes to develop the remainder of the site with single family homes.

Verification: Dave Bartlett, Brookfield, 3/11/21

LAND SALES DATA No. 3

The Groves Whittier, CA

Aerial view of former Nelles Youth Correctional Facility

Retail pads at The Groves development

Single-Family Residences

LAND SALE DATA No. 4

Name:	Serrano Summit		
Location:	Bake Parkway & Biscayne Bay Drive Lake Forest, Orange County		
Assessor's Parcel:	104-132-36, 65, & 84 (old)		
Grantor:	Irvine Ranch Water District		
Grantee:	Lennar Homes of California, Inc.		
Recording Data:	**Date Recorded:** **Document No:**	September 1, 2017 374689	
Sale Price:	$136,000,000	**Price Per Acre:**	$1,489,595
Site Area:	91.30 acres	**Price Per Sq. Ft.:**	$34.20
No. of Units:	510	**Price Per Unit:**	$266,667

Terms: Cash. Development Agreement included requirement to dedicate 11.9 gross (8.13 net usable) acres for Civic Center as well as significant retaining construction costs for the creation of a rough-graded pad.

Site Information:

Area:	91.30 acres to buyer. Total Master Plan of 123.6 acres with 32.3 acres quitclaimed back to seller, Irvine Ranch Water District.
Shape:	Irregular
Topography:	Sloping terrain; 540' at the south corner and 705' near northwest corner.
Utilities:	To Site
Access:	Via Indian Ocean Drive and Biscayne Bay Drive
Zoning:	Serrano Summit Area Plan; TTM 17331

Remarks: The Serrano Summit project was fully entitled at the time of sale with "A" TTM which permitted Master Plan backbone grading; all that was required was to pull a grading permit. The sale price was set at the time of closing based upon a per unit basis for 500 units. (The buyer subsequently added 10 units.) At the time of sale, the cost to complete was estimated to be approximately $135,750 per unit.

The Civic Center site was dedicated (inclusive of retaining wall construction costs) in lieu of affordable housing requirements. The original Development Agreement was approved in 2008. The entitlement work was completed by the seller, Irvine Ranch Water District. The Master Plan included 12 medium density residential areas, a recreation center, parks and a regional trail.

Verification: Mark Kleinman, broker, Province West, 2/22/21
Ron Santos, City of Lake Forest Planning Department, 2/22/21

LAND SALES DATA No. 4

Serrano Summit Lake Forest, CA

LAND SALE DATA No. 5

Name:	The Farm		
Location:	32382 Del Obispo San Juan Capistrano, Orange County		
Assessor's Parcel:	121-182-17, 62 & 63		
Grantor:	Virginia A. Germann; Trustee, C & I Vermeulen Trust Vermeulen Ranch Center LLC		
Grantee:	Lennar Homes of California, Inc.		
Recording Data:	Date Recorded: Document No:	September 1, 2020 456882	
Sale Price:	$41,200,000	**Price Per Acre:**	$1,212,121
Site Area:	33.9 acres	**Price Per Sq. Ft.:**	$27.83
No. of Units:	169	**Price Per Unit:**	$243,787
Density:	4.97 du/ acre		
Terms:	All cash.		

Site Information:

Area:	33.99 Acres
Shape:	Irregular
Topography:	Generally level
Utilities:	To site
Access:	Del Obispo Street, Alipaz Street, Via Positiva
Zoning:	Specific Plan, TTM approved July 2020.

Remarks: The project is currently in full plan check phase. Currently seeking amendment of approvals for single-family residences ranging in size form 2,464 square feet to 3,525 square feet of living area. Development agreement includes dedication of 0.5 acre public park which HOA will maintain. Project design features 20 foot public trail running through the center of it.

Verification: David Contreras, City of San Juan Capistrano Planning Department, 2/25/21
Public Records

LAND SALES DATA No. 5

The Farm, San Juan Capistrano


View south easterly from Del Obispo Road

Townhome Market-Priced Sales Data

TOWNHOME SALES LESS THAN 1700 SQUARE FEET

LANTANA@BEACH-Stanton			Living	Price per		Year
Address	**Sale Date**	**Sale Price**	**Area (Sq. Ft.)**	**Sq. Ft.**	**BR/BA**	**Built**
Unit 130	9/18/20	$410,000	945	$433.86	1/1.5	2020
Unit 116	6/30/20	$415,000	945	$439.15	1/1.5	2020
Unit 118	9/16/20	$511,000	1,134	$450.62	2/2	2020
Unit 107	6/30/20	$504,000	1,160	$434.48	2/2.5	2020
Unit 112	6/26/20	$506,500	1,160	$436.64	2/2.5	2020
Unit 18	9/17/20	$495,500	1,300	$381.15	2/2.5	2020

THE CENTRE-Garden Grove			Living	Price per		Year
Address	**Sale Date**	**Sale Price**	**Area (Sq. Ft.)**	**Sq. Ft.**	**BR/BA**	**Built**
13071 Centre Drive	12/20/20	$485,000	984	$492.89	1/1.5	2020
13062 Centre Drive	9/29/20	$578,050	1,453	$397.83	2/2.5	2020
13081 Centre Drive	8/3/20	$597,250	1,611	$370.73	2/2.5	2020
13082 Centre Drive	7/27/20	$578,500	1,611	$359.09	2/2.5	2020

BRIA - Garden Grove			Living	Price per		Year
Address	**Sale Date**	**Sale Price**	**Area (Sq. Ft.)**	**Sq. Ft.**	**BR/BA**	**Built**
9887 Bria Lane	3/18/21	$702,800	1,688	$416.35	3/2.5	2020
9900 Bria Lane	12/8/20	$711,875	1,688	$421.73	3/2.5	2020
9906 Bria Lane	12/7/20	$685,800	1,688	$406.28	3/2.5	2020
9916 Bria Lane	12/9/20	$706,047	1,688	$418.27	3/2.5	2020
9849 11th Street	10/30/20	$684,730	1,688	$405.65	3/2.5	2020
9847 11th Street	10/21/20	$684,247	1,688	$405.36	3/2.5	2020
9855 11th Street	2/26/21	$770,000	1,688	$456.16	3/2.5	2020

LURE-Westminister			Living	Price per		Year
Address	**Sale Date**	**Sale Price**	**Area (Sq. Ft.)**	**Sq. Ft.**	**BR/BA**	**Built**
7203 21st	6/8/20	$579,000	1,580	$366.46	3/2.5	2020
7201 21st	7/1/20	$579,000	1,580	$366.46	3/2.5	2020
7211 21st	6/18/20	$579,000	1,580	$366.46	3/2.5	2020
7209 21st	7/28/20	$615,000	1,580	$389.24	3/2.5	2020
7185 21st	10/15/20	$615,000	1,580	$389.24	3/2.5	2020
7197 21st	7/17/20	$589,000	1,650	$356.97	3/2.5	2020
7213 21st	6/8/20	$589,000	1,650	$356.97	3/2.5	2020
7207 21st	9/10/20	$629,000	1,650	$381.21	3/2.5	2020

TAVERA-Anaheim			Living	Price per		Year
Address	**Sale Date**	**Sale Price**	**Area (Sq. Ft.)**	**Sq. Ft.**	**BR/BA**	**Built**
3558 W. Savanna Street	8/31/20	$534,900	1,407	$380.17	2/2.5	2020
3556 W. Savanna Street	8/21/20	$517,000	1,407	$367.45	2/2.5	2020
3538 W. Savanna Street	9/2/20	$518,500	1,412	$367.21	2/2.5	2020
3534 W. Savanna Street	8/21/20	$514,900	1,412	$364.66	2/2.5	2020
3572 W. Savanna Street	8/20/20	$510,000	1,412	$361.19	2/2.5	2020
3540 W. Savanna Street	8/28/20	$509,900	1,412	$361.12	2/2.5	2020

RENATO VILLAS-Anaheim			Living	Price per		Year
Address	**Sale Date**	**Sale Price**	**Area (Sq. Ft.)**	**Sq. Ft.**	**BR/BA**	**Built**
1220 S. Macduff Street	12/19/19	$535,990	1,412	$379.60	2/2.5	2019
1212 S. Macduff Street	2/21/20	$520,000	1,412	$368.27	2/2.5	2020
1222 S. Macduff Street	2/21/20	$520,000	1,412	$368.27	2/2.5	2020
1250 S. Macduff Street	2/28/20	$517,000	1,412	$366.15	2/3	2020
1226 S. Macduff Street	7/9/20	$469,000	1,412	$332.15	2/2.5	2020
1234 S. Macduff Street	5/1/20	$464,900	1,412	$329.25	2/2.5	2020
1204 S. Macduff Street	3/31/20	$457,500	1,412	$324.01	2/2.5	2019
1298 S. Macduff Street	3/31/20	$614,900	1,481	$415.19	3/2.5	2020
1294 S. Macduff Street	5/1/20	$602,850	1,481	$407.06	3/2.5	2020
2728 W. Ball Road	2/14/20	$586,990	1,481	$396.35	3/2.5	2019
2734 W. Ball Road	11/21/19	$562,990	1,481	$380.14	3/2.5	2019

TOWNHOME SALES LESS THAN 1700 SQUARE FEET

TRI POINTE CLARET-Anaheim

Address	Sale Date	Sale Price	Living Area (Sq. Ft.)	Price per Sq. Ft.	BR/BA	Year Built
577 Motif Street	12/18/20	$578,857	1,364	$424.38	2/2.5	2020
779 Mosaic Street	6/26/20	$575,815	1,378	$417.86	2/2.5	2020
727 Mosaic Street	12/21/20	$573,990	1,378	$416.54	2/2.5	2020
781 Mosaic Street	12/23/20	$668,845	1,695	$394.60	3/2.5	2020

KB-EUCLID PLACE-Anaheim

Address	Sale Date	Sale Price	Living Area (Sq. Ft.)	Price per Sq. Ft.	BR/BA	Year Built
1689 W. Rhombus Ln.	1/2/20	$599,880	1,448	$414.28	3/2.5	2019
1693 W. Rhombus Ln.	3/19/20	$602,880	1,448	$416.35	3/2.5	2020
1692 Trapezoid	3/27/20	$605,000	1,448	$417.82	3/2.5	2019

DISTRICT WALK-Anaheim

Address	Sale Date	Sale Price	Living Area (Sq. Ft.)	Price per Sq. Ft.	BR/BA	Year Built
686 S. Kinney Way	7/30/20	$509,990	1,335	$382.01	2/2.5	2020
668 S. District Way	11/22/19	$530,793	1,401	$378.87	2/2.5	2019
665 S. Kinney Way	7/22/20	$529,092	1,401	$377.65	2/2.5	2020
645 S. District Way	6/28/19	$521,887	1,401	$372.51	2/2.5	2019
633 S. Kinney Way	7/12/19	$520,106	1,401	$371.24	2/2.5	2019
665 S. District Way	11/19/19	$500,598	1,401	$357.31	2/2.5	2019
669 S. District Way	11/20/19	$528,723	1,553	$340.45	2/2.5	2019
634 S. Kinney Way	7/31/20	$600,000	1,569	$382.41	2/3	2020
670 S. District Way	11/27/19	$573,540	1,569	$365.54	3/3	2019
668 S. Kinney Way	7/31/20	$553,860	1,569	$353.00	3/3	2020

LEWIS+MASON-Anaheim

Address	Sale Date	Sale Price	Living Area (Sq. Ft.)	Price per Sq. Ft.	BR/BA	Year Built
923 E. Mason Ln. #34	5/26/20	$605,369	1,554	$389.56	2/2.5	2019
929 E. Mason Ln. #42	9/27/19	$597,250	1,554	$384.33	3/3	2019
915 E. Mason Ln. #15	6/12/20	$594,000	1,554	$382.24	2/2.5	2020
917 E. Mason Ln. #22	12/18/19	$590,000	1,554	$379.67	2/2.5	2019
939 E. Mason Ln. #58	3/15/19	$582,000	1,554	$374.52	2/2.5	2018
943 E. Mason Ln. #61	6/10/19	$575,000	1,554	$370.01	2/2.5	2019
1660 S. Lewis Street	12/29/20	$589,000	1,554	$379.02	2/2.5	2020
1678 S. Lewis Street	12/17/20	$596,000	1,554	$383.53	2/2.5	2020
1654 s. Lewis Street	3/3/21	$600,000	1,554	$386.10	2/2.5	2020
935 E. Mason Ln. #53	8/23/19	$595,000	1,598	$372.34	3/3	2019

LANTANA@BEACH
100 Latana Dr., Stanton

Address	Sale Date	Sale Price	Living Area (Sq. Ft.)	Price per Sq. Ft.	BR/BA	Year Built
Unit 130	9/18/20	$410,000	945	$433.86	1/1.5	2020
Unit 116	6/30/20	$415,000	945	$439.15	1/1.5	2020
Unit 118	9/16/20	$511,000	1,134	$450.62	2/2	2020
Unit 107	6/30/20	$504,000	1,160	$434.48	2/2.5	2020
Unit 112	6/26/20	$506,500	1,160	$436.64	2/2.5	2020
Unit 18	9/17/20	$495,500	1,300	$381.15	2/2.5	2020

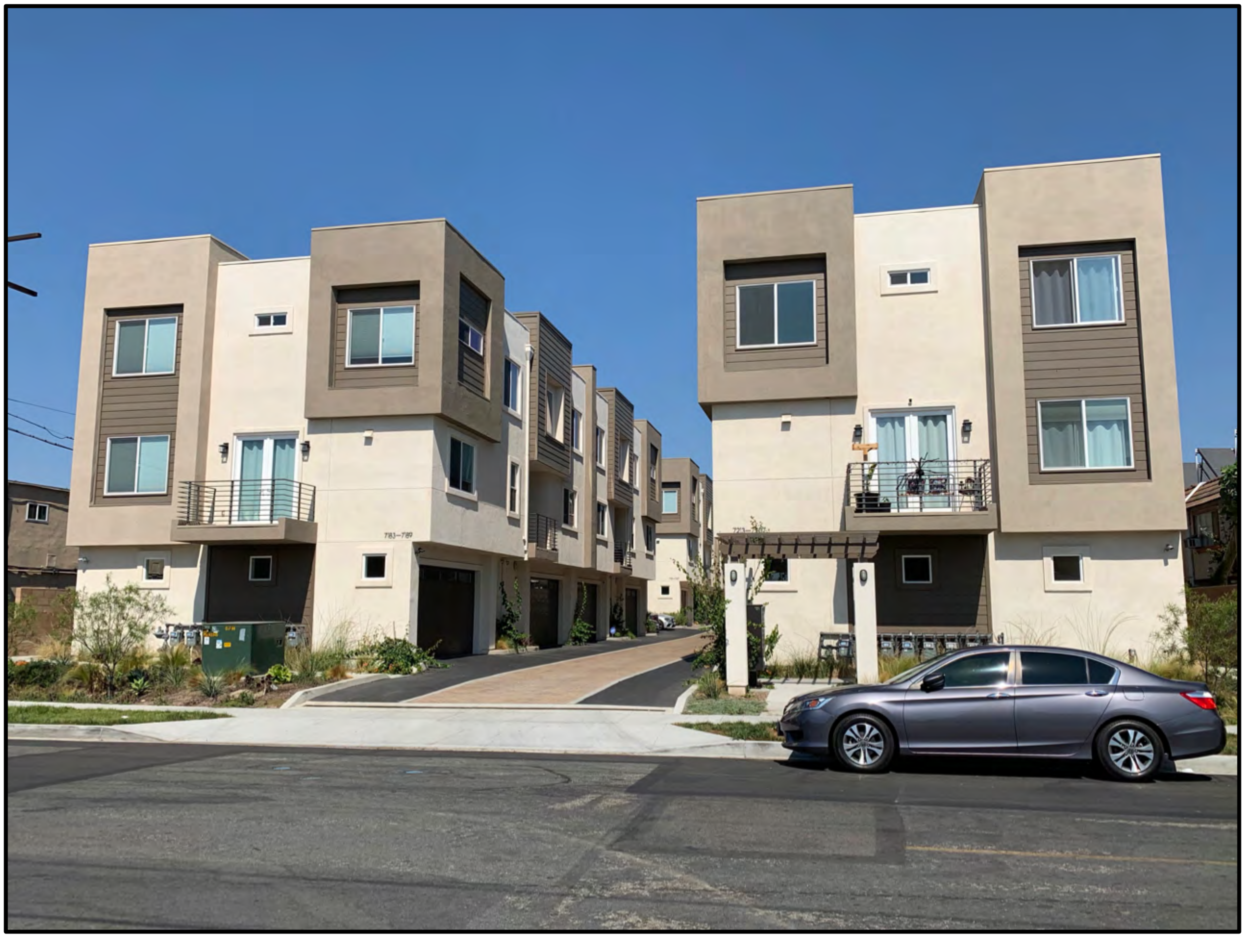
THE CENTRE
11222 Garden Grove Boulevard, Garden Grove

Address	Sale Date	Sale Price	Living Area (Sq. Ft.)	Price per Sq. Ft.	BR/BA	Year Built
13071 Centre Drive	12/20/20	$485,000	984	$492.89	1/1.5	2020
13062 Centre Drive	9/29/20	$578,050	1,453	$397.83	2/2.5	2020
13081 Centre Drive	8/3/20	$597,250	1,611	$370.73	2/2.5	2020
13082 Centre Drive	7/27/20	$578,500	1,611	$359.09	2/2.5	2020

BRIA
9861 11th Street, Garden Grove

BRIA Address	Sale Date	Sale Price	Living Area (Sq. Ft.)	Price per Sq. Ft.	BR/BA	Year Built
9887 Bria Lane	3/18/21	$702,800	1,688	$416.35	3/2.5	2020
9900 Bria Lane	12/8/20	$711,875	1,688	$421.73	3/2.5	2020
9906 Bria Lane	12/7/20	$685,800	1,688	$406.28	3/2.5	2020
9916 Bria Lane	12/9/20	$706,047	1,688	$418.27	3/2.5	2020
9849 11th Street	10/30/20	$684,730	1,688	$405.65	3/2.5	2020
9847 11th Street	10/21/20	$684,247	1,688	$405.36	3/2.5	2020
9855 11th Street	2/26/21	$770,000	1,688	$456.16	3/2.5	2020

LURE
7207 21st Street, Westminster



Address	Sale Date	Sale Price	Living Area (Sq. Ft.)	Price per Sq. Ft.	BR/BA	Year Built
7203 21st	6/8/20	$579,000	1,580	$366.46	3/2.5	2020
7201 21st	7/1/20	$579,000	1,580	$366.46	3/2.5	2020
7211 21st	6/18/20	$579,000	1,580	$366.46	3/2.5	2020
7209 21st	7/28/20	$615,000	1,580	$389.24	3/2.5	2020
7185 21st	10/15/20	$615,000	1,580	$389.24	3/2.5	2020
7197 21st	7/17/20	$589,000	1,650	$356.97	3/2.5	2020
7213 21st	6/8/20	$589,000	1,650	$356.97	3/2.5	2020
7207 21st	9/10/20	$629,000	1,650	$381.21	3/2.5	2020

TAVERA
3534 W Savanna St., Anaheim

Address	Sale Date	Sale Price	Living Area (Sq. Ft.)	Price per Sq. Ft.	BR/BA	Year Built
3558 W. Savanna Street	8/31/20	$534,900	1,407	$380.17	2/2.5	2020
3556 W. Savanna Street	8/21/20	$517,000	1,407	$367.45	2/2.5	2020
3538 W. Savanna Street	9/2/20	$518,500	1,412	$367.21	2/2.5	2020
3534 W. Savanna Street	8/21/20	$514,900	1,412	$364.66	2/2.5	2020
3572 W. Savanna Street	8/20/20	$510,000	1,412	$361.19	2/2.5	2020
3540 W. Savanna Street	8/28/20	$509,900	1,412	$361.12	2/2.5	2020

RENATO VILLAS
2730 W Ball Road, Anaheim

Address	Sale Date	Sale Price	Living Area (Sq. Ft.)	Price per Sq. Ft.	BR/BA	Year Built
1220 S. Macduff Street	12/19/19	$535,990	1,412	$379.60	2/2.5	2019
1212 S. Macduff Street	2/21/20	$520,000	1,412	$368.27	2/2.5	2020
1222 S. Macduff Street	2/21/20	$520,000	1,412	$368.27	2/2.5	2020
1250 S. Macduff Street	2/28/20	$517,000	1,412	$366.15	2/3	2020
1226 S. Macduff Street	7/9/20	$469,000	1,412	$332.15	2/2.5	2020
1234 S. Macduff Street	5/1/20	$464,900	1,412	$329.25	2/2.5	2020
1204 S. Macduff Street	3/31/20	$457,500	1,412	$324.01	2/2.5	2019
1298 S. Macduff Street	3/31/20	$614,900	1,481	$415.19	3/2.5	2020
1294 S. Macduff Street	5/1/20	$602,850	1,481	$407.06	3/2.5	2020
2728 W. Ball Road	2/14/20	$586,990	1,481	$396.35	3/2.5	2019
2734 W. Ball Road	11/21/19	$562,990	1,481	$380.14	3/2.5	2019

TRI POINTE CLARET
916 E. Santa Ana St., Anaheim

Address	Sale Date	Sale Price	Living Area (Sq. Ft.)	Price per Sq. Ft.	BR/BA	Year Built
577 Motif Street	12/18/20	$578,857	1,364	$424.38	2/2.5	2020
779 Mosaic Stree	6/26/20	$575,815	1,378	$417.86	2/2.5	2020
727 Mosaic Stree	12/21/20	$573,990	1,378	$416.54	2/2.5	2020
781 Mosaic Stree	12/23/20	$668,845	1,695	$394.60	3/2.5	2020

KB-EUCLID PLACE
1696 W. Rhombus Lane, Anaheim

Address	Sale Date	Sale Price	Living Area (Sq. Ft.)	Price per Sq. Ft.	BR/BA	Year Built
1689 W. Rhombus Ln.	1/2/20	$599,880	1,448	$414.28	3/2.5	2019
1693 W. Rhombus Ln.	3/19/20	$602,880	1,448	$416.35	3/2.5	2020
1692 Trapezoid	3/27/20	$605,000	1,448	$417.82	3/2.5	2019

DISTRICT WALK
911 East Street, Anaheim

Address	Sale Date	Sale Price	Living Area (Sq. Ft.)	Price per Sq. Ft.	BR/BA	Year Built
686 S. Kinney Way	7/30/20	$509,990	1,335	$382.01	2/2.5	2020
668 S. District Way	11/22/19	$530,793	1,401	$378.87	2/2.5	2019
665 S. Kinney Way	7/22/20	$529,092	1,401	$377.65	2/2.5	2020
645 S. District Way	6/28/19	$521,887	1,401	$372.51	2/2.5	2019
633 S. Kinney Way	7/12/19	$520,106	1,401	$371.24	2/2.5	2019
665 S. District Way	11/19/19	$500,598	1,401	$357.31	2/2.5	2019
669 S. District Way	11/20/19	$528,723	1,553	$340.45	2/2.5	2019
634 S. Kinney Way	7/31/20	$600,000	1,569	$382.41	2/3	2020
670 S. District Way	11/27/19	$573,540	1,569	$365.54	3/3	2019
668 S. Kinney Way	7/31/20	$553,860	1,569	$353.00	3/3	2020

LEWIS + MASON
1700 S Lewis Street, Anaheim

Address	Sale Date	Sale Price	Living Area (Sq. Ft.)	Price per Sq. Ft.	BR/BA	Year Built
923 E. Mason Ln. #34	5/26/20	$605,369	1,554	$389.56	2/2.5	2019
929 E. Mason Ln. #42	9/27/19	$597,250	1,554	$384.33	3/3	2019
915 E. Mason Ln. #15	6/12/20	$594,000	1,554	$382.24	2/2.5	2020
917 E. Mason Ln. #22	12/18/19	$590,000	1,554	$379.67	2/2.5	2019
939 E. Mason Ln. #58	3/15/19	$582,000	1,554	$374.52	2/2.5	2018
943 E. Mason Ln. #61	6/10/19	$575,000	1,554	$370.01	2/2.5	2019
1660 S. Lewis Street	12/29/20	$589,000	1,554	$379.02	2/2.5	2020
1678 S. Lewis Street	12/17/20	$596,000	1,554	$383.53	2/2.5	2020
1654 s. Lewis Street	3/3/21	$600,000	1,554	$386.10	2/2.5	2020
935 E. Mason Ln. #53	8/23/19	$595,000	1,598	$372.34	3/3	2019

CERTIFICATION

The undersigned hereby certifies that:

1. I made a personal inspection of the property that is the subject of this appraisal on February 24, 2021.

2. To the best of my knowledge and belief, the statements of fact contained in this report, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct.

3. The reported analyses, opinions, and conclusions are limited only by the assumptions and limiting conditions stated herein, and are the personal, unbiased professional analyses, opinions, and conclusions of the undersigned. Those limiting conditions (imposed by the terms of the assignment or by the undersigned) considered to affect the analyses, opinions, and conclusions are contained in this report.

4. I have no present or prospective interest in the property that is the subject of this report. I have no personal interest or bias with respect to the subject matter of this report or the parties involved. I have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the acceptance of this assignment.

5. The engagement of our firm and the compensation for this assignment are not contingent upon the development or reporting of a predetermined value or result, or direction in value, that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

6. This report is not conditioned upon a requested minimum valuation, a specific valuation, or the approval of a loan.

7. This report, and the analyses, opinions, and conclusions contained herein, have been made in conformity with and are subject to the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, and the Uniform Standards of Professional Appraisal Practice.

8. No one other than the undersigned prepared the analyses, conclusions, and opinions, or provided other significant professional assistance concerning the real property interests that are the subject of this report.

9. The Appraisal Institute conducts a program of continuing education for its designated members. As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.

Casey O. Jones, MAI
(Calif. Lic. No. AG041862)

LIMITING CONDITIONS

The Code of Professional Ethics and the Standards of Professional Practice of the Appraisal Institute require that all assumptions and limiting conditions that affect the analysis be clearly and accurately set forth. To assist the reader in interpreting this report, the primary assumptions and limiting conditions affecting the analysis of the subject properties are set forth below. Other assumptions and conditions may be cited in relevant sections of the following report.

1. That the date of value to which the conclusions and opinions expressed in this report apply is February 24, 2021. Further, that the dollar amount of any value opinion herein rendered is based upon the purchasing power of the American dollar existing on that date.

2. That the appraisers assume no responsibility for economic or physical factors which may affect the opinion herein stated occurring at some date after the date of value.

3. That the appraisers reserve the right to make such adjustments to the valuation herein reported, as may be required by consideration of additional data or more reliable data that may become available.

4. That no opinion as to title is rendered. Not title report was available for review. Title is assumed to be free and clear of all liens and encumbrances, easements and restrictions, except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management, and available for its highest and best use.

   Investigation of the property's history is confined to examination of recent transactions or changes in title or vesting, if any, and does not include a "use search" of historical property utilization.

5. That no engineering survey has been made by the appraisers. Except as specifically stated, data relative to size and area was taken from sources considered reliable and no encroachment of real property improvements is considered to exist.

6. That maps, plats, and exhibits included herein are for illustration only as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose, nor should they be removed from, reproduced, or used apart from this report.

7. As a premise of this report it is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless noncompliance is stated, defined, and considered in the following analysis.

8. That no opinion is intended to be expressed for matters which require legal expertise or specialized investigation or knowledge beyond that customarily employed by real estate appraisers. It is assumed that there are no hidden or unapparent conditions of

the property that render it more or less valuable. No responsibility is assumed for such conditions or for the arranging of studies that may be required to discover them.

The function of this report is to provide an opinion of the value of the real property as herein defined. Under no circumstances should this report be considered as providing any service or recommendation commonly performed by a building inspector, structural engineer, architect, pest control inspector, geologist, etc.

9. That no soil reports concerning the subject property were available. This valuation is based upon the premise that soil and underlying geologic conditions are adequate to support standard construction consistent with highest and best use.

10. That no specific information was available for our review relating to hazardous materials or toxic wastes that may affect the appraised property. Unless otherwise stated in the report, we did not become aware of the presence of any such material or substance during our investigation or inspection of the appraised property. However, we are not qualified by reason of experience or training to identify such materials or substances. The presence of such materials and substances may adversely affect the value of subject property. This valuation is predicated on the assumption that no such material or substance is present on or in the subject properties or in such proximity thereto that it would prevent or impair development of the land to its highest and best use or otherwise affect its value. The appraisers assume no responsibility for the presence of any such substance or material on or in the subject property, nor for any expertise or knowledge required to discover the presence of such substance or material. Unless otherwise stated, this report assumes the subject property is in compliance with all federal, state, and local environmental laws, regulations, and rules.

11. This Appraisal Report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

12. Disclosure of the contents of this appraisal report is governed by the By-Laws and Regulations of the Appraisal Institute.

    Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute, or to the MAI designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without the prior written consent and approval of the author.

QUALIFICATIONS OF CASEY O. JONES, MAI

Member of the Appraisal Institute
California Certified General Real Estate Appraiser, License No. AG041862

Mr. Jones is a partner with the real estate appraisal and consulting firm of George Hamilton Jones, Inc., in Newport Beach, California. He has been appraising real property since 1991. His appraisal experience covers a broad range of assignments that, in addition to standard property types, includes railroad rights of way, transmission line corridors, acquisitions for freeways, wetlands/ conservation land, vineyards and wineries, tidelands, marinas, ranches, subdivision land, real property damages and various waterfront property types.

Property interests appraised include fee simple, leased fee, leasehold, fair rental value, partial acquisitions, eleemosynary interests, and easements of various types and rights of way. Mr. Jones has served as an expert witness in courtroom and judicial arbitration settings in Southern California.

Education:

University of Southern California, Bachelor of Arts
Advanced Study - University of Southern California, Master of Fine Arts, 1978

Real Estate Appraisal Courses (*Appraisal Institute)*:

Appraisal Principles
Appraisal Procedures
Basic Income Capitalization
Standards of Professional Practice
Business Practices and Ethics
Apartment Valuation
Advanced Income Capitalization
General Market Analysis and Highest and Best Use
Advanced Sales Comparison and Cost Approaches
Report Writing and Valuation Analysis
Advanced Applications
Comprehensive Appraisal Workshop
Litigation Professional Program
Federal and California Statutory and Regulatory Law Course

Real Estate Appraisal Seminars (Partial List)

Litigation Seminars, 2007, 2009-2012, 2014-2018, 2020
Market Trends Seminars: LA/ OC/ Inland Empire
Conservation Easement Valuation
Real Property Damages Valuation
Project Delay Economics
Hydraulic Fracking and Property Rights
Entitlements in Real Property Appraisals

Professional Affiliations:

Appraisal Institute (MAI Member No. 12935)

Regional Representative (Region VII), 2012-2015

International Right of Way Association

Chapter 67 Valuation Chair, 2011-2012, 2014-2017

Employment:

1/91 - Present: Real Estate Appraiser and Consultant
George Hamilton Jones Inc., Newport Beach, California

Scope of Experience (Partial List):

Appraisal experience includes valuations of most categories of real property and appraisal reviews. Interests appraised include fee simple, leased fee, leasehold, fair market rent, partial acquisitions, easements and rights-of-way. Work has been primarily carried out throughout Southern California.

Property Types:

Single Family Residences	Apartments
Condominiums	Residential Subdivision Acreage
Commercial Buildings	Retail Buildings
Industrial Buildings	Office Buildings
Retail Centers	Service Stations
Vacant Lots/ Land (All types)	Medical Buildings
Mobile Home Communities	Marinas
Conservation/Mitigation Land	Leasehold/ Leased Fee (Residential and Commercial)
Church	Waterfront and Oceanfront Properties
Hotels	Yacht Clubs
Right of Way Corridors	Wetlands
Tidelands	Shipyards

Specialized Properties and Assignments (Partial List):

Rancho Mission Viejo, 1,100-acre Planning Area 5, Trampas Reservoir site
Willowick Golf Course – Santa Ana
Marina Pacifica – 569-unit condominium underlying land revaluation - Long Beach
Golden State Water Company Charnock Road site – City of Santa Monica
Crimson Midstream Pipeline – Easement revaluation – Torrance and Carson
Enderle Center – Retail, restaurant & office - Fee and leasehold interests – Tustin
Tidelands, fair rental value at Harbor Island - Newport Beach
Tidelands, fair rental value, various commercial uses - Newport Beach

Westminster Civic Center – Townhome redevelopment – Westminster
Prado Dam – Flowage easement valuation – appraisal reviews – San Bernardino and Riverside Counties
Kilroy Airport Center Office Complex - Long Beach
Leasehold Residential Subdivision Land, Custom Waterfront Lots - Newport Beach
Esencia School Site – Rancho Mission Viejo
Mesa Palms Associates – 246-unit apartment project – San Diego
Rockfield Business Park – Ground lease - fair rental value - Irvine
Lakeside Temescal Valley – 441-acre subdivision and open space - Corona
Palm Beach Mobile Home Park – San Clemente
Colonies Parkway, Upland – commercial/residential planned community/water rights
Inland Center Mall – partial acquisition freeway on/off ramp
Residential Subdivision – Regulatory Taking, Inverse Condemnation - San Juan Capistrano
BNSF Railway – aerial and other easement acquisitions - Anaheim
Valley View Grade Separation – land and easement acquisitions - Santa Fe Springs
245 acres of conservation/mitigation land - San Diego County
100 acres wetlands - Huntington Beach
Avalon Canyon Road right of way acquisition - Avalon, Catalina Island
Residential subdivision land for mitigation/low-cost housing - Avalon
H.U.D Apartment Project - Downey
12-acre vineyard and residence, Bel-Air
Dana Point Yacht Club - fair market rent
Newport Beach Tennis Club
Lyon Copley Corona Association – 950-acre planned unit community
Port of San Pedro, Terminal and Wharf Facility, leasehold interest
Properties with soils, subsidence or construction defects issues in Southern California
Fair rental land valuations in Marina del Rey
Mt. Ada/Wrigley Estate (Catalina Island) – eleemosynary valuation

Clients – Attorneys & Corporations (Partial List):

Anglin, Flewelling, Rasmussen, Campbell & Trytten, LLP – John Anglin
Allen Matkins – Rick Friess
Ardell Investment Company
Ayres Hotels
The Bixby Ranch Company
Barger & Wolen – Don Adkinson
Borchard Redhill, LP
Curci Companies
DJM Capital Partners
Endangered Habitat League
Green, Steel & Albrecht, LLP – Phil Green
Greenberg Traurig, LLP – Cris K. O'Neall
Hines Hampton LLP – Brian Pelanda, Nicole Hampton
Hill, Farrer & Burrill LLP – Kevin Brogan
The Irvine Company
Jeffer Mangels Butler & Mitchell LLP - Gordon A. Schaller

Kasdan Lippsmith Weber Turner, LLP – Celene S. Chan
The Kilroy Realty Corporation
La Jolla Bank
Lanphere Law Group – Michael A. Lanphere
Nossaman, Guthner, Knox & Elliott – Alvin S. Kaufer, James C. Powers
Michael D. May – Attorney at Law
Mira Mesa Shopping Centers
Munger, Tolles & Olson LLP – Richard Volpert
Murphy & Evertz – John Murphy, Jennifer Dienhart
Nokes & Quinn – Larry Nokes
O'Hara & Greco – Thomas A. Greco
Olen Properties – Julie Ault
Orbach, Huff Suarez & Henderson LLP – Garland Tempest
Page Lawyers – Gregory S. Page
Palmieri, Tyler, Wiener, Whilhelm & Waldron – Michael H. Leifer
The Santa Catalina Island Company
Reynolds Jensen Swan & Pershing – Barry Swan
Rutan & Tucker, LLP – Stephen A. Ellis
Shields Law Offices – Jeff Shields
Southern California Edison Company
Stephens Friedland LLP – Todd Friedland
Waldron & Bragg, LLP – Gary Waldron, John Olson

Clients – Public Agencies, Governmental (Partial List):

Capistrano Unified School District
City of Long Beach
City of Newport Beach
City of San Juan Capistrano
County of Orange
County of Los Angeles Beaches and Harbors
County of Los Angeles Board of Harbor Commissioners
Orange County Sanitation District
Orange County Transportation Authority (OCTA)
San Bernardino Associated Governments (SANBAG)
Santa Margarita Water District
Southern California Edison (SCE)
State of California Department of Transportation (Caltrans)
State of Nevada Department of Transportation (NDOT)
University of California

(Updated 2/21)